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U.S. Seen as Country's 'Most Important Friend'

AU1807145394 Tirana USHTRIA DHE KOHA in Albanian 13 Jul 94 p 1

[Editorial by Alfred Moisiu, Vice Minister of Defense: "Prospects of the Albanian-U.S. Cooperation's Development in the Field of Defense]

[Text] Initiated after World War II and suspended by the communist dictatorship since the very first years of the post-war period, for reasons already known, Albanian-U.S. cooperation in the field of defense made a propitious new beginning after the victory of democracy in our country.

As is known, the first U.S. Army representatives came to our country as early as 1943. In 1944, a U.S. military mission, represented by Captain Thoma Stefani was based near the general staff of the partisan army. Suspended for nearly 50 years, relations began to develop again in the wake of the March 1992 elections.

Within the last two years, a number of high-level U.S. delegations have come to our country, headed by top military and civil personalities working in the field of defense, marking thus an uninterrupted growth in strengthening relations between our two armies.

In 1993, at our Defense Minister's request, a liaison mission, composed of a group of U.S. army officers, was based near our General Staff. This mission has up until now done very useful work, helping us to study and resolve various theoretical, practical, and organizational problems relevant to the restructuring period of the Albanian Army, and making possible a broad and frequent exchange of experience between groups of military specialists from both sides. As a consequence, U.S. military crews of experts in various fields have come to Albania, as groups of Albanian Army officers have been invited to discuss and get acquainted with the experience of U.S. and other NATO member countries' army units. This intensive familiarization has helped a great deal in getting to know, dealing with, and consulting military problems of all spheres and levels. We can say that within the framework of these activities, organized by the U.S. military mission, about 136 groups have come to visit Albania, and around 50 groups from our army have gone abroad, while many other groups are being prepared to go on such visits.

The effects of this cooperation are numerous, not only in the field of experience. Now, the Albanian Army officer is creating and, with the passage of time, will further create the vision of the Albanian Army's goals for the future. Thanks to this cooperation, his confidence is bolstered, regarding the great reforming and restructuring work that has already been done in the Albanian Army.

The framework of relationships until now between our two armies has had of course several important moments that have given great impetus to their development and further advancement. One of these moments was the visit of Albania's Defense Minister to the United States in June 1993, as a result of which not only official, direct contact between the office-holders of our two countries' respective ministries was established, but also important opinions and ideas were exchanged regarding the further development of our relations. These negotiations were fully sanctioned by signing the "Memorandum of Understanding on Defense and Military Relations Between the Defense Ministry of the Republic of Albania and the Defense Department of the United States," in October 1993.

In implementing this memorandum, in January 1994, the first bilateral Albanian-U.S. meeting was held in Tirana. The high-level U.S. military delegation was headed by Deputy Vice Defense Secretary Dr. Kruzel.

This visit constituted an important moment, because high-ranking personalities of the U.S. Defense Department were closely acquainted with the performance of the reform in the Albanian Army, its prospects, difficulties, and objectives for the future.

Another important moment was the visit of General Joulwan, supreme commander of the Alliance in Europe and Commander in Chief of the European Command of the United States. General Joulwan, as is known, is the highest U.S. military dignitary to visit our country, a visit that has served the strengthening of relations between our two armies, and our relations with NATO.

The visit of our Defense Ministry delegation, headed by Mr. Zhulali, last month marked yet another important moment in the advancement of bilateral relations between our two countries. The Albanian press and radio-television gave extensive coverage to the results achieved and the work done during this visit.

They were emphasized in detail by Mr. Zhulali at the news conference held on 21 June 1994. Of extremely great importance will certainly be Mr. Parry's visit to our country. The visit of this prominent U.S. dignitary, who is the number one official in the Pentagon, is a memorable event not only for our army, but also for all our people and our state in general.

This visit is a sign of appreciation not only for the good work done in our army, but also for the entire performance of the democratic reforms of our government; it also shows the U.S. Government's respect for and interest in democratic Albania, its march forward to become an important and solid factor for stability and peace in the region.

It has been officially stated that the United States is considered to be Albania's most important friend. By this announcement, our links with other countries of the democratic world are in no way underestimated. However, it is a known fact that the United States is in the forefront of current European efforts for protecting and safeguarding peace in this very sensitive part of our region, its role being of prime importance.

Within this framework, the successful development of the thorough relations that exist between the United States and Albania is a top priority and a convenient basis for their auspicious evolution in the field of defense.

An important step in giving concrete shape to the U.S. Army's assistance for the Albanian Army was also the proclamation of South Carolina by the Defense Department as Albania's cooperation partner within the framework of the Partnership for Peace Program. The range, directions and problems included in this cooperation have been projected in relevant documents and are being studied in the Pentagon, in order to determine the possibilities for their solution. Thus the prospects in our bilateral relations are assuming new characteristics. Passing from technical to security assistance will be their most important feature. So, there will be much greater possibilities for training our army cadres, organizing joint military exercises in several fields, getting concrete help in accomplishing several projects, and sorting out other problems related to further assistance, in raising the quality and intensity of military training in the fields of logistics, communications, etc. Certainly, all these things, for which work is being done to boost and advance the project of their further development, do not have as a goal to make Albania a military power.

The principal aim in strengthening this cooperation, as it has already pointed out, is to further increase the possibilities for making Albania a more solid factor for stability in the region. All the aforementioned explicitly speaks of broad, sound and sincere prospects of development in Albanian-U.S. relations in the field of defense. These relations result from our country's all-round democratic development and its consolidation, from the boost and strengthening of our country's links with the U.S. in the political, economic, and administrative field, and from the particular role played by President Berisha in the development of those relations.

Party Chairman Explains Delay in Constitution

AU1807125494 Tirana ALTERNATIVA SD in Albanian 12 Jul 94 pp 1, 4

[Interview with Skender Gjinushi, chairman of the Social Democratic Party of Albania, PSDSH, by Cerciz Loloci in Tirana; date not given: "Approval of the Constitution Is the Exclusive Right of Assembly Alone. Chairman Gjinushi Versus President Berisha"]

[Text] [Loloci] At his last news conference President Berisha, among other things, declared that our country's constitutional package is better then the constitutions of many other countries. What is your comment?

[Gjinushi] It is true that this constitutional package contains good chapters, such as the one on human rights and freedoms, or the one on local government, but the package can by no means be compared with the definitive constitutions of other countries. The following are the main flaws:

First: Several articles dealing with the relationship between powers, mainly between the power of the president, and the judiciary, the parties and the executive, give our state system an indeterminate form. So, in this case, we are confronted with shades of presidential power realized in an unharmonious way by enforced and contrived articles.

Second: The constitutional package is a temporary package. Many of the articles bear the hallmark of the idea of an emergency and the reasoning that they would change with approval of the new constitution. The ephemeral nature of the package of laws has a negative impact on the judiciary in particular. Thus, such issues as whether the Constitutional Court and the Supreme Council, and so on, will be kept or not, remain outstanding. The judges feel uncertain, while it is a known fact that one of the basic elements of advanced democracies is the guarantee of the invulnerability of the judiciary.

Third: The chapters of the constitutional package, with their positive and negative sides, are not in harmony with one another. Here lies the essential distinction between this package and a constitution of a definitive character based on the vote of its country's people. These and many other factors explain why the European and international forums are urging Albania to adopt a definitive constitution. Any state with early democratic traditions can even do without a constitution, whereas a new state, like ours, absolutely needs to begin with precise laws, in order to create the necessary democratic tradition.

One could say that our president's statement that we have a good package of laws is an argument against the president himself and the PD, [Democratic Party] who have failed to bring the constitution before parliament for approval. It can be seen that the Albanian parliament is capable of working out and endorsing dignified constitutional laws, because at least two thirds of parliament would certainly vote for for such laws as those contained in the chapter on human rights and freedoms, whereas it is impossible to find the required two-thirds majority in parliament for laws formulated according to one's own fancy, which set dangerous precedents and create equivocal situations, and this is a positive thing.

[Loloci] President Berisha promised that the constitution will be ready very soon. Are you confident, Mr. Gjinushi, that this document, which is fundamental to every democratic state, will soon be available in Albania?

[Gjinushi] I do not know what "promise" you are talking about. As a member of the parliamentary constitutional commission, I can tell you that such a "promise" falls within the competence of this commission alone. Contrary to what is declared, last year's draft was used this year too: just when the commission had completed work on the draft constitution, after five months, its work was arbitrarily suspended. In this way, we are doing quite the opposite of what the Council of Europe has asked us to do. And it has been done overtly and deliberately, which means nothing more or less than that someone does not

want our country admitted to the Council of Europe, or that for the sake of retaining two or three presidential prerogatives by all means, we are ready to isolate our country from the world again.

[Loloci] Recently there has been much speculation about the so-called consensus...

[Gjinushi] It is a slogan, mainly used for propaganda effect by both the PD [Democratic Party] and the PS [Socialist Party]. The PD has had every possibility to convene all sorts of meetings, in order to reach the desired consensus, but as you know, not a single such meeting has in fact been organized until now. Last September, in the only case when efforts were made to lay the juridical foundations of this consensus through a motion of the social democrats, the PS, as you know, voted against it. Thus, parliament was deprived of the chance to set new deadlines for the constitution, or to define the procedures for formulating and approving it, and so on. Ever since that moment, we have nobody to blame or bring to account for the absence of the constitution, because parliament—the highest legislative organ—not only turned down this motion, but also did not replace it with a new motion or decision. It is clear that the PD, because of its majority, can redress this anomaly.

These facts show clearly that the PD does not want the constitution, or want it to be according to its own liking, whereas the PS prays that the constitution will never come, so it can use it as a political weapon.

[Loloci] Mr. Berisha is of the opinion that Albania's constitution could be approved even by an extended assembly....What is your opinion?

[Gjinushi] We have long ago given our opinion about this assembly that could allegedly approve the constitution. Approval of the constitution is the exclusive right of the parliament alone, and of no one else. We do not understand the point of certain statements and theories, while things could be very easily solved: Let the constitution come to parliament for discussion (as the PSDSH has demanded), and let us find the necessary legal procedures through open debate. Every opinion and idea must be brought up there, in the genuine assembly of men. This assembly must have legitimacy, being directly elected by the people just for this purpose, because a mayor, for example, is elected to look after the welfare of the city, the maintenance of schools, hospitals, and so on, but not to approve laws. This is a blatant misinterpretation of powers. Statements by Mr. Arbnori that do nothing but prejudice matters are also entirely pointless. He, as a parliamentary speaker, is the one primarily responsible for the boycotting of the work on the constitution. Instead of reflecting and working for its earliest appearance, he runs up and down the corridors making comments. Even when using phrases borrowed from left-wing forces, Mr. Pjeter Arbnori confuses the left wing with the extreme left, in both the domestic and European context. This is contrary even to his convictions as a former prisoner and social democrat. As such, he should have known the value of social democracy and the difference between it and communism. Here I have in mind his statement that the enactment of the constitution would allegedly bring about a crisis. In fact, it is the absence of the constitution that is the crisis itself. Let a dignified constitution come, and the political forces opposing it will discredit themselves. Finally, I would like to stress once again that the PSDSH believes that if there were good will for a serious constitution, Albania would have had it long ago, and it is possible to have such a constitution. Parliament has not yet been put to such a test. Thus the statements of top political figures have become boring, meaningless, discredited and, in short, have no valor at all. The only way out, therefore, is to bring the draft constitution to parliament to be discussed. In this way Albania will have its constitution. Otherwise the destructive segments of the parliamentary groups, whoever they may be, will be discredited.

[Loloci] Thank you!

Land, Property Law Called 'Communist, Deceptive'

AU1807130494 Tirana E Djathta in Albanian 8 Jul 94 p 2

["Appeal of the National Association of Expropriated Owners 'Ownership and Justice'"]

[Text]

Appeal

Owners in the countryside and in towns!

By leaving in force the communist land law, approving the amendments on compensation for owners from whom mainly land has been expropriated, rejecting claims on buildings that have been pulled down, as well as annulling the clauses on co-ownership, enshrined in the law of restitution of property to owners, the parliament openly showed before the whole world that the communist mentality of class hatred toward owners guides the parliament in passing such important laws to our country's life. These laws, designed to perpetuate the communist rule under the banner of democracy, runs contrary to the genuine democracy that all our people fought for. These laws openly trample upon the fundamental property rights that are advocated by all international conventions.

The compensation of owners, being nothing but deception aimed at cheating the world public opinion, perpetuates the robbery of property, capitalizing on the poverty in which the majority of owners are living, owners who, if they fall into the trap engineered by the government, will lose for ever the right over their property. We are therefore launching the following appeal:

Owners, none of you should fall into the perverse trap set for you by the government. Poor are they who fall into this trap! None of you should accept compensation, because this would give the government the right to become the master of your property and use it to enrich the communist wolves, who are ready to lay their claws on this property as soon as you sign the compensation receipt, whereas you will be left with the poverty to

which communism has reduced you. The communists will become richer and richer, by exploiting precisely your property you were ripped off by communism. Every expropriated owner must be fully convinced that just laws will certainly be adopted one day by us too, which will restore all property to the hands of its legitimate owners, as it has happened in the Czech Republic, Slovakia, Estonia, Poland, Germany, and so on. Therefore have patience! Patience always wins. Poor are they who lose patience, they will repent it bitterly.

Do not trust President Sali Berisha's demagogic speeches. He is continuing his political struggle against expropriated and persecuted people.

The National Association of Expropriated Owners "Ownership and Justice".

Berisha Sends Congratulations to Kosovo's Rugova

AU1707140094 Tirana TVSH Television Network in Albanian 1800 GMT 16 Jul 94

[Letter of greetings from Albanian President Sali Berisha to Republic of Kosova President Ibrahim Rugova on 16 July on the occasion of his reelection as chairman of the Kosovo Democratic Alliance]

[Text] I have the special pleasure of greeting you with all my heart on your reelection as chairman of the Kosova Democratic Alliance [LDK] with unanimity and enthusiasm by the assembly. On this occasion, I would also like to greet all those elected in the LDK Presidency and National Council.

Your reelection is a clear testimony of the large support for the political line you have followed in the peaceful accomplishment of the national, democratic, and freedom-loving aspirations of the Albanian people of Kosova.

Allow me to express my conviction that, under your leadership, the LDK will journey forward with the support of all Albanians and the increasing support of the international community.

Once again, I send you warm greetings and wish you much success.

[Signed] Sali Berisha

Daskalov Meets With Perry, Memorandum Signed

AU1807180094 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 18 Jul 94

[Text] Bulgaria's participation in the Partnership for Peace Program was discussed by U.S. Defense Secretary William Perry and Stanislav Daskalov, Bulgaria's minister of foreign affairs, at their meeting in Sofia today, where Mr. Perry arrived after his visit to Bucharest. The new peace plan for Bosnia-Herzegovina as a means of peacefully settling the conflict was also among the main subjects of their talk.

We see the danger of the Bosnian conflict's possible expansion and it is the purpose of the peace plan to avoid such danger, Defense Secretary Perry declared following his meeting with Minister Daskalov.

U.S. Defense Secretary William Perry also met Bulgaria's Defense Minister Valentin Aleksandrov. A memorandum on cooperation in the field of defense and mutual relations in the military sector between Bulgaria and the United States was signed following the meeting.

Secretary Perry is currently giving a lecture on the subject of democracy and Bulgaria, at the invitation of the Atlantic Club.

Zhelev Receives Perry

AU1807193794 Sofia Khorizont Radio Network in Bulgarian 1900 GMT 18 Jul 94

[Text] On 18 July President Zhelyu Zhelev received U.S. Defense Secretary William Perry and the delegation he heads.

After the meeting, which continued longer than planned, President Zhelev expressed satisfaction with the talk. The situation in the Balkans and the possibilities of finding more rapidly a peaceful solution to the Yugoconflict were discussed.

The Bulgarian head of state requested from Mr. William Perry that he be consulted on all issues that affect the security in the Balkans, without making any claims on dictating the decisions. The U.S. defense secretary expressed hope of strengthening cooperation between Bulgaria and the United States in all areas. He conveyed to President Zhelev a message from President Bill Clinton, which expresses approval of Bulgaria's foreign policy course that asserts the country as a stabilizing factor in the Balkans.

In his message President Clinton declares the U.S. readiness to support the democratic changes in our country.

Official Expects Democratic Party To Leave SDS

AU1807125294 Sofia KONTINENT in Bulgarian 15 Jul 94 p 2

[Report by correspondent Zarko Marinov from Smolyan]

[Text] Mustafa Cheshli, member of the Democratic Party Central Bureau, said in Smolyan on 14 July that at its meeting on 23 and 24 July the Democratic Party Supreme Council will discuss the issue of leaving the SDS [Union of Democratic Forces] coalition. He said that the party's Central Bureau had held a meeting to discuss splitting off from the SDS coalition, but reached no decision on the matter. According to Cheshli, Stefan Savov informed his people that steps are in hand to expel the Democratic Party from the SDS because of its pragmatic and moderate policies. Savov is reported to have complained that a politburo-type approach is becoming firmly established in the SDS National Coordinating Council.

According to Cheshli, despite Savov's call for the party to leave the SDS, the bureau members insisted that the Supreme Party Council should also discuss the issue. Cheshli added that Democratic Party activists consider that a decision to split off from the SDS should be made by a congress, so as to avoid a split in the party and prevent the registration of a second Democratic Party within the SDS.

Klaus Says Restitutions Not Constitutional

AU1807145694 Prague LIDOVE NOVINY in Czech 15 Jul 94 pp 1, 3

[Interview with Prime Minister Vaclav Klaus by Eva Martinkova; place and date not given: "I Think the Constitutional Court's Ruling Is Bad"]

[Text] In a regular column, Prime Minister Vaclav Klaus replies to questions from editor Eva Martinkova:

[Martinkova] You have expressed certain concern over the Constitutional Court's ruling that permits restitution claims from Czech citizens who do not have permanent residence on the territory of the Czech Republic. What could cause complications, in your opinion? And how do you respond to the fact that, immediately after the ruling, some expatriate organizations started demanding that the condition of state citizenship for filing restitution claims be waived as well?

[Klaus] I would not want to become a warrior against the Constitutional Court. I do not in the least contest the Constitutional Court's right to declare that this or that runs counter to our Constitution. I reject in advance the accusation, which is to be expected, that I am trying to interfere with the powers of the Constitutional Court. I am only giving my commentary:

What surprised me was a different procedural matter—the possibility for the Constitutional Court to change the period of validity of a legislative decision. This, I think, is not a question of conformity or incompatibility with the Constitution but should be the result of a new decision of our parliament.

A long time ago, I had already voiced concern at the never-ending process of demands and claims for restitution and rehabilitation and expressed the conviction that each new restitution claim does not close restitution claims but opens new ones. I have the feeling that even this ruling will lead to another extension of restitution claims, which is bad for reasons that I have tried to explain a thousand times. I do not think that the question of to whom restitution should apply is a purely constitutional question. I am convinced that the question of restitution is a political decision in a given society and at a given time. In my opinion, it has little in common with a purely constitutional issue and, hence, should not be handled by the Constitutional Court.

[Martinkova] Unlike small bank clients, you do not consider the insurance of deposits approved on 8 July a great victory. Why?

[Klaus] I am not convinced that small clients fully realize what is involved. The problem has two aspects: the banks' behavior and the costs arising from this for every saver. The hypothesis that the insurance of deposits will "discipline" the managements of various small or big banks and rationalize their behavior is an illusion. Quite the contrary, it is more likely to lead to riskier deals because, in the final analysis, only some money will be lost, but the hassle with a large number of small savers who have been deprived of their money will be gone. All insurance costs something and the insurance premiums are not small. For example, I am now contemplating whether to take out health insurance for my vacation in Austria or whether to take the risk and, should anything happen, get into the car and be home within 90 minutes. If someone thinks the deposit insurance will not cost the depositors anything, he is mistaken.

[Martinkova] Margaret Thatcher has come to Prague. You are a great supporter of her conservative policies. Would you be able to be just as tough in practical conflicts as the former British prime minister was, for example, in relation to the miners?

[Klaus] In global terms, my philosophy is very close to Mrs. Thatcher's. I would like to draw a distinction between her image as an unyielding iron lady, spread by the media, and Mrs. Thatcher as a very sensitive human being. I have the feeling that various attributes with which she had been endowed were misleading. I am convinced that, before every decision that was interpreted as tough, she went through agonizing decision-making as to whether her choice was the right one, what side effects it would have, and what an impact it would have on those who would not profit from it in the short term. This way of thinking is very close to mine.

Chemapol Head on Reports on Executive Agents

AU1807145794 Prague MLADA FRONTA DNES in Czech 14 Jul 94 p 2

[Interview with Vaclav Junek, director general of the Chemapol Co., by Jaroslav Kmenta in Prague; date not given: "The Attacks on Chemapol Are Perfectly Orchestrated"]

[Text] Prague—*Vaclav Junek, director general of the Chemapol Co., is not aware of any of the top executives of this petrochemical company having worked as agents of the communist State Security or intelligence.*

"If it is confirmed that the report actually contains such information, I will ask Minister Ruml for a meeting so he can tell me what it is all about. I have no idea what is behind it. I certainly know my people, and this type of information comes as a surprise to me," Junek said.

[Kmenta] The security and intelligence units claim that the essence of the problems regarding the privatization of the Czech refineries is the exceptional interest of Russia in obtaining the decisive influence in petrochemicals in Central Europe....

[Junek] I have not, at least with respect to the Czech Republic, encountered that interest. I have never noticed that Russian firms are interested in purchasing shares in our refineries, except, of course, for the general interest in the supply of the crude oil processing equipment. Russian petrochemicals are oriented toward Germany, and we have never received any specific offer.

[Kmenta] In your opinion, what is all the fuss about Chemapol, State Security, the KGB, and the Czech way of privatization?

[Junek] I believe that the gist of the entire issue is money. It has to do with relations between competing firms, position on the market, and in Central Europe.

[Kmenta] Could you be more specific?

[Junek] I believe that the campaign against us is deliberate. We act as a ball that is being kicked, but the goal is somewhere else. The attacks on Chemapol are perfectly orchestrated. I have no idea who planned them, but he has my deepest respect. We do not know how to parry accusations such as "Chemapol has links to the Russian Mafia." I can only say that it does not and nothing else. If someone accuses us of that, let him prove it. Of course, he cannot, but he creates the required atmosphere.

[Kmenta] Could such speculation and even the official report by the Interior Ministry not be prevented by screening in your enterprise?

[Junek] Perhaps they could but not altogether. Nevertheless, no one asked us to screen the staff. I was informed quite clearly that Chemapol is not subject to the Screening Law. It may be that, if we had done it, we could have more peace now. Nevertheless, I repeat, it is not the main reason. Some other pretext would be found.

Increase in Foreign Currency Reserves Reported

AU1807161894 Prague MLADA FRONTA DNES in Czech 16 Jul 94 p 13

[Article by "or, ctk": "Foreign Currency Reserves Rose Again Markedly in June"]

[Text] Prague—Foreign currency reserves increased again significantly in June. They reached the amount of $7.7 billion in the entire banking sector at the end of the month, which was half a billion more than in May. The Czech National Bank [CNB] reserves rose in the month-to-month comparison by $0.4 billion to $5.2 billion. This was reported yesterday by Ondrej Kvacek from the Czech National Bank Press Department.

The foreign currency reserves of the banking sector amounted to $6.5 billion in January of this year, and the Czech National Bank reserves to $4.1 billion.

The sum most frequently mentioned in the recent discussion on how large foreign currency reserves are needed for the introduction of the so-called full convertibility of the koruna was somewhere between $5 billion and $6 billion. Among the first steps toward the transfer to full convertibility is the abolition of the foreign currency purchase limits for citizens. According to some economists, these limits should disappear next year.

Nekvasil: One-Third of Officers Oppose Reform

AU1807145894 Prague LIDOVE NOVINY in Czech 14 Jul 94 pp 1, 16

[Interview with Major General Jiri Nekvasil, chief of General Staff, by Jan Gazdik; place and date not given: "One-Third of Officers Are in Opposition"]

[Excerpts] "One-third of officers would welcome a return to the former conditions," Chief of General Staff Jiri Nekvasil (46) told LIDOVE NOVINY. The general deduces this from an unwillingness to enforce the tasks of the Army's transformation. Asked why he does not part company with them, Nekvasil says that he is unable to prove to them their nostalgia for the old days. "It is just a feeling," he adds. The nostalgia does not affect young officers but the older generation, to which the general, too, belongs. However, the general has selected as colleagues those of his peers who are advocates of a radical transformation of the Czech Army. [passage omitted]

[Gazdik] The drain of people from the Army is bigger than the influx of new people. Is the situation as dramatic as it was last year?

[Nekvasil] I do not regret the departures of colonels and lieutenant colonels. What I regret is the departure of young officers, even though they are no longer leaving on such a scale. Dozens of people a month are involved.

[Gazdik] You have returned from the United States, where young people also used to condemn the Army after Vietnam. How did the U.S. Army succeed in gaining their favor?

[Nekvasil] It was, above all, the Army itself that had changed, whether in terms of professionalization or its high level of action capability. However, society's readiness to have an army in which it could take pride also played a role. I have been missing this will in our country thus far. [passage omitted]

Moravcik Opposes CR Counterpart's View on CEI

LD1807160394 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 18 Jul 94

[Excerpts] We have already informed you about the proceedings and results of the Central European Initiative [CEI] summit, attended by prime ministers of the member states, in the Italian town of Trieste last Friday and Saturday. Among the correspondents accompanying the Slovak delegation, headed by Prime Minister Jozef Moravcik, was our representative and collegue Jarmila Tosecka, who came in to discuss her impressions of the background to the Trieste summit.

[Begin Tosecka recording] [Passage omitted]

For example, even Czech Prime Minister Vaclav Klaus, in his Trieste speech, expressed doubts about the reason for extending the membership of the CEI, which is made up of 10 countries, by a further four countries that have shown an interest in CEI membership. Some correspondents asked whether this would not lower the dynamics of mutual cooperation. In conclusion, let us hear the opinion of Prime Minister Jozef Moravcik.

[Moravcik] In my opinion, the dynamics of the CEI do not depend on the number of participants but on specific projects applied in the context of regional cooperation. To extend the CEI can only be beneficial from this viewpoint. This would be true, for example, in building the communication networks. Cooperation among states covering a wider region is a precondition for more complex projects and for better concentration of energy and resources. The chances are that the vitality of the CEI would be preserved if attention were focused in this direction.

On the other hand, it must be said that, when compared with the original intentions, this form of cooperation is being presented at present as a type of preparation for wider integration of a Pan-European character. [end recording]

Moravcik Justifies Resumption of Arms Exporting

AU1807143194 Bratislava SMENA in Slovak 15 Jul 94 pp 1, 9

[Interview with Prime Minister Jozef Moravcik by Ctibor Brezak; place and date not given: "Our Orientation Is Not Changing"]

[Excerpts] On 13 July after midnight, Slovak Prime Minister Jozef Moravcik returned from a tour of three Southeast Asian countries—India, Vietnam, and Indonesia—during which he was the first Slovak prime minister to cross the equator. On this occasion, he granted an interview to our daily. [passage omitted]

[Brezak] You were accompanied on this trip by Defense Minister Pavol Kanis, among others. Do his busy schedule and large number of talks suggest that Slovakia is approaching the production and trade in special technology more realistically?

[Moravcik] In addition to the defense minister, I was accompanied by Minister of Industry [title as published] Peter Magvasi, who also had a very demanding agenda. It would be inappropriate to put extraordinary emphasis on our trade in special technology, although a realistic perception of this area really is necessary. The decision of 1990 to phase out special production, though motivated by lofty ideals, was not politically wise. We must take into consideration the reality of the world, which shows that even peace must be defended. Peace policy can be implemented by states that are influential also militarily. This is one of the paradoxes of this world. The idea of complete disarmament and a world without weapons is, for the time being, disappearing in the unforeseeable future. It is in this context that we, too, consider the economic aspects of the sale of special equipment, which used to be greatly underrated. No one in the world has made a decision to halt the production of weapons on such a scale and within such a short span of time as we did. It is now important for us to utilize existing capacities and the abilities of the highly qualified people working in this sphere. That is why we want to revise the decision of four years ago. When exporting weapons, however, we want to orient ourselves toward countries implementing peaceful policies. [passage omitted]

Meciar: HZDS To Investigate President's Deeds

AU1807143094 Bratislava SLOVENSKA REPUBLIKA in Slovak 15 Jul 94 p 2

[Article by Dusan Kleiman, TA SR: "Most Frequent Topic: Michal Kovac"]

[Text] Zvolen—The third day of Vladimir Meciar's working visit to central Slovakia continued yesterday morning with a meeting with mayors and entrepreneurs of the Hontiany region at Krupina. Another meeting, involving representatives of local self-administration, state administration, and entrepreneurs, was held in a hotel at Detva. Meciar said that, in the privatization process, the Movement for a Democratic Slovakia [HZDS] will give preference to the domestic entrepreneurial layer. At 1530, Meciar was greeted in the crowded Detva indoor stadium. As at other rallies, here, too, several questions concerned President Michal Kovac. Meciar replied that the actions of every constitutional official, member of the government, deputy, and, hence, also the president must be in harmony with the Constitution and added, that, in his opinion, Kovac's activity was not in harmony with it. "I assure you that after the elections we will initiate the establishment of a commission of inquiry to investigate whether Michal Kovac's execution of his post complies with the Constitution," HZDS Chairman Vladimir Meciar said at a rally of citizens and HZDS sympathizers at Zvolen yesterday. He also said that it was parliament's obligation to check

on the president and on whether he was respecting the Constitution and the laws of this state. The coalition is protecting him, however, because he helped it topple the government that emerged from the elections, Meciar said in reply to several questions in writing from the audience.

KSU's Klepac on Polls, Relations With SNS

AU1807174994 Bratislava SLOVENSKY DENNIK in Slovak 13 Jul 94 pp 1, 3

[Interview with Jan Klepac, chairman of the Christian Social Union, KSU, by Julius Gembicky; place and date not given: "We Must Strike Our Enemy With All Our Force, and Then We Will See"]

[Excerpts] [passage omitted] Why, despite your self-confidence, is your party winning only a negligible percentage of support in official public opinion polls?

[Klepac] I believe that Slovak Radio conducts the most reliable polls. Regarding the Focus-conducted polls, I am unable to tell whether we have significantly surpassed the 1- or 2-percent level within the past two years. In my opinion, Focus is addressing a specific voter base. One of the reasons is the people who founded Focus. This is why I do not consider their results to be representative. Mr. Rodhe, of the [German] Christian Democratic Union, was here to train our election managers. This man will prepare Helmut Kohl's election campaign for the third time. He said that we should completely forget the polls and return to them only on 2 October. "Now you should work diligently, and not get excited about preferences." I agree with the opinion that, in an orderly democracy, it would be suicide to run independently in the elections while being given such percentages. But, because Slovak parties do not have a firm shape and are splintered, we have a chance of succeeding.

[Gembicky] You have questioned Focus polls' reliability and trustworthiness. Could it be that you suspect the sociologists of this agency of intentionally manipulating the electorate and public opinion? In whose favor? In the favor of the Movement for a Democratic Slovakia, the Slovak National Party [SNS], or the Association of the Workers of Slovakia, who have received higher percentages?

[Klepac] No, I believe that Focus is represented by people who are inclined toward the diametrically opposite side of the political spectrum. But I have to sincerely thank Focus for its survey—and I not being sarcastic—because all of our potential adversaries have to be satisfied. According to Focus, they are already in parliament. We, on the contrary, are being provoked to exert greater efforts. [passage omitted]

[Gembicky] If your council on 16 July decides by a majority of votes to support the line of the five signatories and discuss with the SNS the possibility of your joining their open list of candidates, are you and Deputy Chairman Oberhauser willing to sacrifice "your heads"?

[Klepac] I am not against a coalition with the SNS, but I am against the offer to allow some Christian Socialists to run on their list of candidates as independent candidates. I suggested to J. Slota that we establish, by the end of March, a coalition using a 2.4 to 1 ratio in the SNS's favor. I based this proposal on the results of the preceding parliamentary elections, despite the fact that I was aware that the SNS had been weakened by the split in the meantime. It was then highly correct on my part that I wanted to build on the 1992 election results. Unfortunately, the SNS rejected this offer in no uncertain terms. It decided to run independently in the elections. Then, I got the impression that it was sorry for its decision, and it came home to it that it needed to make up for the losses caused by the split. The Slovak People's Bloc is too weak to be able to make up for these losses, and this is why the Christian Social Union [KSU] seemed to be an appropriate entity for this. One of the basic identification signs of our party is our chairman. Many people in Slovakia do not know what the letters KSU stand for, but few do not know who Klepac is. Klepac has become so strongly identified with the KSU that they call us Klepac's people. The gentlemen from the SNS grasped the fact that, if they succeed in separating Klepac from the KSU membership base, the KSU would lose one of its identification signs, and it would be a windfall for the SNS. This is how I perceive relations between the KSU and the SNS in recent weeks. Moreover, after 4 July, our relations came to a head in such a way that the SNS changed from a purely nationalist party into an excessively nationalistic, even a chauvinist, one. The declarations of its leaders go beyond our understanding of nationalism. The KSU understands it as a national movement, as a feeling that awakens in man the will to sacrifice himself for the nation but not to despise other nations, in any case. The abyss between us has become even deeper. [passage omitted]

SDSS Leader on Postelection Coalition Options

AU1807161994 Bratislava SME in Slovak 15 Jul 94 p 4

[Interview with Jaroslav Volf, chairman of the Social Democratic Party in Slovakia, SDSS, by Ondrej Dostal; place and date not given: "A Coalition With the Movement for a Democratic Slovakia Is Very Illusory"]

[Text] [Dostal] Opinions have been expressed recently that the Party of the Democratic Left [SDL], or, rather, part of the SDL, could enter into a coalition with the Movement for a Democratic Slovakia [HZDS] after the elections. What do you think of the chances for postelection cooperation between the Social Democratic Party in Slovakia [SDSS] and the HZDS?

[Volf] Opinions about cooperation between the SDL and the HZDS are expressed in the press very often. This seems to me to be rather simplifying the issue because the SDL has become an element of a coalition involving four left-wing political parties, and this issue is far from being a matter for the SDL and the HZDS alone but concerns the other partners in this new coalition equally.

The issue of possible cooperation with individual entities after the elections will be an element of the agreement on postelection cooperation and, therefore, the other coalition partners will also be able to express themselves on this.

[Dostal] And how will your party express itself on this?

[Volf] The situation may be different after the elections. It will depend on what percentage of the vote each party or movement gets. I can only tell you one thing: Our experiences are such that the HZDS's government policy was unsuccessful. Our experiences are such that this is a confrontational type of policy. Our experiences are such that this is a policy that has no credentials abroad and one that, if it were to proceed in this manner, would be unacceptable abroad. Under these circumstances, a coalition with the HZDS is very illusory. It certainly cannot be ruled out that specific changes may be made after the elections, but they would have to be very radical changes because, if not, these experiences to date would be unequivocally determinant.

[Dostal] So, what is the SDSS's stance toward the postelection arrangement?

[Volf] I do not think that, at the moment, there should be a government of one political orientation, let alone of one party, in Slovakia. Despite being on the left of the political spectrum, I am not an advocate of there being only a left-wing government here. Slovakia is currently in a situation whereby it needs a coalition government, a left-right or, at least, a left-center government. This implies a certain balance and weighing up of the situation. Therefore, I think that, after these elections, it would be best if there were such a coalition government and if the program that has just been implemented were given scope for a far longer period. Our task is to ensure that, in this future joint coalition government, social democratic policy plays a very important role, but not that it is the only example for the formulation of policy and programs in Slovakia.

[Dostal] You mentioned an agreement on postelection cooperation. Does this mean that the left-wing coalition will also proceed jointly after the elections—for example, in the issues of forming a governing majority in parliament?

[Volf] This coalition was not formed merely as a purposeful conglomerate of several entities but because the programs and policy of these entities were so close that it was possible to form a coalition. Of course, it cannot be ruled out that there may be certain disagreements, but we cannot formulate a concept from this. We proceed from the premise that we will formulate a government program together and, therefore, that we will also be responsible for it together. Understandably, this will be within the framework of the purview that this coalition receives in the ruling coalition.

SD Denies Allegation of Trying To Harm SDSS

AU1807145994 Bratislava SLOVENSKY DENNIK in Slovak 15 Jul 94 p 2

[TA SR report: "The New Party Does Not Want To Do Any Harm"]

[Text] The aim of the new political party, Social Democracy (SD), is not to harm the Social Democratic Party in Slovakia [SDSS] as an ideological stream. This statement was made by J. Hruby, a representative of the Social Democracy Preparatory Committee. He was reacting to the allegation by SDSS Chairman J. Volf that the establishment of the new party is intended to cast doubt on the SDSS and harm social democracy. The SD Preparatory Committee is of the opinion that it is, in fact, Volf's SDSS that is damaging the interests of social democratic ideas at home and abroad by a policy of worming its way into the affections of the representative of the salon left wing, the Party of the Democratic Left, and of anti-Slovak forces.

Lack of Investment Capital Decried

94CH0332B Bratislava HOSPODARSKE NOVINY in Slovak 13 Jun 94 p 4

[Article by J. Sojka, of Bratislava Economic University: "Why Do We Lack Investment Capital?"

[Text] The amount of investment during the transformation period is considerable but not sufficient. In 1992, there were 92.5 billion Slovak korunas [Sk] in current prices invested in our economy; in 1993, the figure was Sk101.8 billion. This looks like a large amount, but, if we compare it with 1989, when Sk64.5 billion in current prices was invested, it is 30 percent less—less because the cost of investment work doubled. The 1989 investments would cost Sk132.5 billion in 1993 current prices. According to some other calculations (choosing higher investment cost indexes), the amount would be as much as Sk180 billion. The financing of such a volume of investments causes problems.

Many people are asking how it is possible that, when we had a centrally planned economy, growth and modernization of capital assets was realized with some problems but from our own resources and without foreign help. We were even able to make some not inconsiderable investments abroad, especially in the USSR, which we are still trying to exploit. And today, during the period of transformation to a market economy, we cannot imagine modernization and an increase of fixed assets without foreign help. What is the cause of that? What will the consequences of this approach be in the future?

The causes for there being either a lack or a surplus of investment capital in economies fall into two categories:

a) long-term, given by the level or the "maturity" of the economy;

b) short-term, related to the given situation in the economy (growth, stagnation, or decline).

Among the internal sources for financing investments are: depreciation, profit, savings of the population, or, let us say, an increase of savings, and the state budget.

Depreciation, especially, is an important source that contributes to the financing of investments and is closely related to the "maturity" of the economy. The more mature an economy is, the faster it replaces its machinery and equipment. E.D. Domar writes in his *Eseje ekonomickeho rastu [Essays of Economic Growth]* (Slovak Academy of Sciences, Bratislava 1966) that, between 1909 and 1928, the share of depreciation in the financing of capital assets was over 60 percent. In England, this ratio was a little higher during the same period.

Bill Clinton, President of the United States, states in his report (for the year 1992) to Congress that the share of depreciation in the financing of investments in 1990 and 1991 was as much as 80 percent. That means that the financing of investments was carried out relatively smoothly out of internal resources.

Less mature economies have worse starting conditions in this area. For example, here in Slovakia only 57.8 percent of the volume of investments was financed through depreciation in 1985. In the Czech lands, the situation was a little better. During the same period, 66.8 percent of investments were financed through depreciation.

The maturity of the economy understandably has an impact on the other sources of investment capital (profit, savings, and contribution from the state budget), but, because of the differences in the macroeconomic structures and indicators, it is difficult—in fact, almost impossible—to make such a comparison. For example, in the United States, profit moved from decline in 1933 up to 13 percent of the GDP rate.

Similarly, it is impossible to compare savings of the population because of the different possibilities for investing unused income. State budgets also differ in their structure. For example, in the United States, government investments are included among government expenditures; in other countries (as is also the case here in Slovakia), they are included among investments.

In our economy, the short-term causes of the scarcity of sources of investment capital are related to the recession, or, if you will, to the decline of the economy during the transformation period. The GDP in constant prices in 1993 was 75 percent of the GDP in 1990. Assuming that the GDP stagnates, it would increase in current prices to Sk444.1 billion with inflation (in 1990-93) and would be higher than in 1990 by about Sk7.4 billion. Assuming that 30 percent of GDP is used for investments, Sk32.2 billion more would be available for investments. But we did not have stagnation here; we had decline, and therefore these resources are not available.

What, in fact, was the situation here with respect to sources of investment capital in 1993?

Depreciation taken by economic organizations represented Sk37.1 billion. Profit (after deducting losses) was Sk25.8 billion, the increase in savings by the population was about Sk20.3 billion, and the share from the state budget approximately Sk11 billion. Altogether this comes to Sk94.2. It must be emphasized that these are potential sources.

Depreciation in 1993 current prices should have increased in accord with the continuing inflation to Sk70 billion. That way the potential sources would have increased by Sk35.2 billion. Unfortunately, that is not the way it is in practice. Depreciation enters into costs in nominal amount and is realized in earnings from products and services. Many enterprises do not use depreciation for financing investments even in this nominal amount, but use it for paying wages and as operating capital, or it lies frozen in inventories. We estimate that financing of investments will stay at about Sk26 billion.

Profits in the amount of Sk25.8 billion, which is 7.7 percent of GDP, as a source of investment capital is not unrealistic. Enterprises in reality attain higher profits from their economic activity, but because of the high tax liability they hide their profits. In respect to this, it would be necessary to modify the mechanism of profit incentives, so that enterprise would not have to hide their profits.

Savings as a nominal source constitute a real source of finances not only for investments but also for working capital. For investments, we estimate the use of Sk13 billion. As long as inflation stays within reasonable limits, they will continue to increase. The share from the state budget designated for investment is also reasonable.

After the aforementioned corrections, the internal sources of investment capital in Slovakia stabilized at Sk75.8 billion (depreciation at 26 billion, earnings at Sk25.8 billion, savings at Sk13 billion, and the state budget at Sk11 billion in 1993 prices).

The difference between the amount of investments, which in the next few years is expected to be Sk90-100 billion in 1993 prices, and the available investment capital, can be financed only from foreign sources. The difference in question is between Sk14.2 billion to Sk24.2 billion a year. If we express it in United States dollars, we are talking about $430-733 million. This is not a small amount of foreign capital.

So far, arrangements have been made with Western financial institutions (European Investment Bank, World Bank, European Bank for Reconstruction and Development, and others) for loans in the amount of $1.5 billion, which will be drawn on in the future.

It is a considerable amount of money, but it is not sufficient up to the year 2000. According to the mentioned calculations, we would need $2.5-5 billion. It will not be possible to achieve this simply by means of foreign loans. It would be difficult to get them and even more difficult to repay them. But the situation is not unsolvable. By selling some enterprises to foreign investors in the second wave of the voucher privatization, we could overcome this period of decline and shortage of investment capital.

Revitalization of the economy will reduce the need for foreign investment capital. But even here we cannot expect miracles. We must be realistic. An increase of 1 percent in the GDP would increase internal investment capital by about Sk800 million to Sk1 billion. An increase of 10 percent would increase internal resources by about Sk8-10 billion. Reaching the 1990 GDP level would reduce the need for foreign capital to a minimum (assuming that there is no increase in the rate of investments) because rising production would ensure the growth of internal resources of capital to approximately Sk30 billion. If the amount of investments were to increase, the need for investment capital would understandably exceed the amount of domestic capital proportionately to the growth rate of investments.

An analysis indicates that the cheapest solution for obtaining investment capital is the revitalization of the economy. Therefore, the measures decreed by the government must be implemented as quickly as possible, so that we can reach the 1989 GDP level as early as the beginning of the third millenium.

Kovacs Interviewed About Relations With Neighbors

AU1907105294 Budapest NEPSZABADSAG in Hungarian 16 Jul 94 p 6

[Interview with Hungarian Foreign Minister Laszlo Kovacs by Pal Lederer and Tibor Kis; place and date not given: "A Foreign Policy Is Successful If It Contributes to Economic Development"]

[Excerpts] [Passage omitted] [NEPSZABADSAG] What major concrete goals can the new foreign minister realistically set out for the next four years?

[Kovacs] We must advance in preparations to join the European Union and legal harmonization. I hope that negotiations with the relevant EU committees in Brussels on the conditions of Hungary's membership will commence during my tenure. I also hope that we will achieve rapprochement with all the neighbors with whom our current relations are still tense, and mutual confidence will increase and we will be able to sign the basic treaties. I also hope that, in four years' time, when the ethnic Hungarians living beyond our borders analyze the situation, they will conclude that their situation has improved and some of the problems that they are currently facing will have been solved by then, or at least they will have progressed toward a solution.

[NEPSZABADSAG] There are a lot of mines inherited in our bilateral relations with the neighboring countries. In your opinion, which of these mines should be defused first?

[Kovacs] We have three sets of relations where such inherited mines could cause problems: Hungarian-Slovak, Hungarian-Romanian, and Hungarian-Yugoslav relations. Regarding Hungarian-Yugoslav relations, for the time being we can do nothing but prepare for the period after the settling of the conflict. On the other hand, in the other two relations, we will use all our power to defuse these mines. In this respect, I regard the settling of the Bos issue, including the Szigetkoz area, as the most urgent task. This problem has further deepened in recent years. Unfortunately, politics has played a negative role in all this. Many people in Hungary regard the river barrage system as a memorial of the past regime. In Slovakia, however, people regard this as a symbol of their state's independence. This has made an agreement impossible. Both sides have been motivated by political prestige factors. I think that politics should leave this area and an atmosphere should be guaranteed in which experts can find a solution adequate to the interests of both sides by examining exclusively economic, energy, shipping, and ecological factors. [passage omitted]

[NEPSZABADSAG] The government has been criticized for trying to sign a basic treaty with Romania and Slovakia too quickly.

[Kovacs] I do not think that speed and a good contract are alternatives in achieving international agreements: One can sign good contracts very quickly, and one can also sign a bad contract based on long years of preparation. The signing of such contracts is a matter of political will. If there is such a political will, an agreement can be signed very quickly. If we lack such a political will, an agreement can be delayed for years.

[NEPSZABADSAG] In your opinion, to what extent is this political will present among the partners today?

[Kovacs] It is not worth getting into speculations. It seems that our partners received the ideas formulated in our election program favorably. This is a good basis for something to start. It will become clear at the first talks whether this advantage can be used or not for a quick formulation of an adequate treaty. If yes, we hope that these agreements will be signed in a relatively short time.

[NEPSZABADSAG] Where will the Horn government achieve its first genuine foreign policy results?

[Kovacs] We can already see that our neighboring countries, as well as more distant countries, have received the foreign policy intentions of the new Hungarian Government favorably. Several signals have already reached us in this connection. We want to act very quickly for our system of international relations to contribute to alleviating our serious economic and social problems. We will strive to get support in our bilateral relations from the international organizations, the European Union, the IMF, to create a balance of payments. We would like the European Union to signal to us when it can accept Hungary, and under what conditions. [passage omitted]

[NEPSZABADSAG] Criticism can already be heard in connection with the elimination of the Ministry of International Economic Relations and the distribution of foreign economic functions. Do you think that this reorganization might weaken the efficiency of our entire economic diplomacy?

[Kovacs] This is a justified question. In my opinion, reorganization means that our trade missions carry out their activity as part of the embassy, as the embassies' trade sections. Thus, the ambassadors and the embassies must accept a more serious role in representing Hungary's economic interests. This could stop the years-long rivalry between embassies and trade missions. Naturally, this will require the acceptance of part of the personnel of the former Ministry of International Economic Relations. It will be the task of the coming weeks to work out the details with the Ministry of Industry and Trade.

[NEPSZABADSAG] It seems that the prime minister will deal with foreign policy with pleasure and with expertise. Who will be the master of Hungarian foreign policy? What will be relations between the government and the Foreign Ministry?

[Kovacs] There is no overlapping of authority between the prime minister and the foreign minister; each of them has his own responsibility and sphere of activity, and I do not think any problems could arise in the

coming period. All the more so because we have been working together with Gyula Horn for 15 years, and we know each other's inner thoughts well. I do not think that Gyula Horn would like to interfere in directing foreign affairs over my head. [passage omitted]

Horn Seeks Kohl's Help in Obtaining EU Loan

LD1807221594 Budapest Duna TV in Hungarian 1900 GMT 18 Jul 94

[Interview with Prime Minister Gyula Horn by unidentified corrspondent, on his return from Germany on 18 July; in Budapest—recorded]

[Excerpts] [Report] [Passage omitted] What were the specificss, the political things discussed during your very brief talks in Germany?

[Horn] I went to Bonn with the specific aim of talking about economic issues, bilateral economic cooperation, including the way in which Germany can help even more effectively in Hungary getting closer to the EU. I must say that we experienced strong EU protectionist phenomena, and the EU decides things only very ponderously—mainly because of the resistance by the southern European countries—about the date and timetable for negotations on association.

Throughout, I found that the German Government is our partner and, indeed, is one of the main initiators and supporters of Hungary's membership in the EU. We also fully agreed that there is no need to wait until all countries, even the Visegrad Group of countries, for example, meet EU membership conditions simultaneously, but what must be considered is the extent to which the individual countries can fulfill these conditions. We agreed with Chancellor Kohl on that too. [passage omitted]

The EU gives very considerable financial support to its less developed members; on the basis of (?recent) decisions, it is proffering 30 billions ECUs or nearly $35 billion. Well, Hungary needs much more aid than they have given it hitherto. In other words, I also specifically formulated our requirement for financial support, for a longer period, over a long repayment period and under very favorable terms, in other words, with very low interest rates. [passage omitted]

Joint News Conference

LD1807163394 Budapest Kossuth Radio Network in Hungarian 1400 GMT 18 Jul 94

[Text] Prime Minister Gyula Horn's lightning visit to Bonn has ended. Our correspondent Gyorgy Bernat reports:

[Bernat] Chancellor Kohl described German-Hungarian relations as very good and said he has agreed with Gyula Horn to continue them. Germany supports those wishes and concepts that the Hungarian prime minister expounded in Bonn today. Gyula Horn did not go into details in front of the press in connection with these. All he said was that Hungary was not asking for aid but was striving for mutually advantageous cooperation. The discussions are to continue at the level of experts.

Among the concrete details, the head of government mentioned that among the infrastructural investments he will encourage German entrepreneurs to take part in the bank privatization.

There was also talk about the prospects of EU [European Union] membership. Chancellor Kohl mentioned among the German endeavors that Hungary should be given the appropriate prospects of EU membership. Until then it will have to make use of the possibilities of associate membership status. Germany will provide help so that the associate membe.s might be able to help themselves, Kohl said.

In his words, he cannot imagine the EU without Hungarian participation. Now, as the current chairman of the organization, Germany is striving to make it possible once per year to invite the leaders of the associate states also to a summit meeting. However, certain countries of the EU are reacting in different ways to the proposal.

At the short meeting with the press, Gyula Horn also said that in the course of the reforms that have been going on since 1988 many people assured Hungary of their sympathy but Germany really gave support as well.

For his part, Helmut Kohl recalled 25 August 1989, when Gyula Horn, as foreign minister, was here with Miklos Nemeth, prime minister at the time, and announced that Hungary will allow the East German refugees out to the West. We will never forget this and we will not forget your personal participation in the decision, Chancellor Kohl assured Gyula Horn and he said, in a way impossible of being misunderstood: This also now plays a part in the agreement of the two government heads.

In answer to a question the chancellor replied: Hungary's stability is proved by the fact that the change of government took place through democratic elections.

After his meeting with Helmut Kohl, Gyula Horn met Hans-Ulrich Klose, head of the parliamentary group of the German Social Democrats. At this time he is already leaving for Budapest.

Bishop Tokes Comments on Treaty With Romania

AU1807185894 Budapest NEPSZAVA in Hungarian 16 Jul 94 p 9

[Interview with Laszlo Tokes, ethnic Hungarian Presbyterian Bishop in Romania, by Ferenc Kepecs in Budapest on 15 July: "I Did Not Say No!"]

[Text] In the future bilateral basic treaty with Romania, the new Hungarian Government intends to renounce any change in the borders in exchange for guarantees from Bucharest for the rights of national minorities. Do

you agree with such a treaty?—we asked Presbyterian Bishop Laszlo Tokes, the honorary chairman of the Democratic Federation of Hungarians in Romania [RMDSZ—UDMR in Romanian], in Budapest on 15 July.

[Tokes] I still do not know know why Romania finds it important that Hungary guarantee in a bilateral treaty something that it has already guaranteed in a higher-level multilateral treaty. Such demands have a taste of slander, by suggesting that Hungary is actually guilty and has irredentist intentions: If I sign something again, I make the impression that I wanted to violate the treaty that I have already signed. The official Romanian tactics wants to prove precisely this alleged Hungarian guilt. Therefore, the border guarantee is a political demand, rather than a security one, because Romania, with its population of 23 million people, has nothing to fear from Hungary with its 10 million people.

[Kepecs] Would Hungary's international image improve if it nevertheless signed the agreement?

[Tokes] I never said no to signing it. I only expressed my opinion about this.

[Kepecs] Would such a treaty strip the anti-Hungarian forces in Romania of their arguments?

[Tokes] The Romanian intention is to make their attitude toward the Hungarians dependent on the aforementioned treaty. However, this is a mistaken position from the outset. Good treatment is a basic national minority right, and this cannot be made dependent on external factors similar to the the basic treaty. Besides, the situation of the ethnic Hungarian minority in Romania will only change when the political system will also change. This is the essence, and not the border guarantee.

Kovacs: Ministerial Meeting With Romania Favored

LD1807201194 Budapest Kossuth Radio Network in Hungarian 1630 GMT 18 Jul 94

[Interview with Foreign Minister Laszlo Kovacs by unidentified correspondent; place and date not given; from the "Extra" program—recorded]

[Excerpts] [Passage omitted] [Correspondent] The Central European Initiative held its summit in Trieste last weekend. What is the use of this initiative and what benefit can such a regional grouping have in the area of direct EU [European Union] influence?

[Kovacs] [Passage omitted] I am convinced that a truly stable Europe is a Europe of regions. In other words, it has a significance and is necessary. Naturally, the situation is very different today from the situation of 1989 when the four-country agreement was born on the initiative of Italy and with Italian, Yugoslav, Austrian, and Hungarian participation. [passage omitted]

[Correspondent] A kind of counterweight to the German endeavors, was it not?

[Kovacs] Precisely. When I first heard about this Italian initiative, my first thought was that Italy would like to have a larger presence here in this Central European region. Let me say that when I—in my capacity as state secretary at the Foreign Affairs Ministry—first spoke about this with the Italian ambassador I told him that naturally I welcomed this Italian role because it was not a good thing for either Hungary or the region to depend on one country or one group of countries.

In foreign policy I support the building of multidirectional contacts. In other words, in respect of Hungary, Hungarian foreign policy I consider it to be important that alongside the traditionally good orientation toward Austria and Germany we should have a relationship with France. The Bonn-Paris axis is the axis of Europe. It is inconceivable that we should not work hard to ensure that we have good relations with France. However, it is also inconceivable that we should not expect the support of the other Latin European countries, like the closely located Italy, or the geographically more remote Spain, Portugal, or that we should not think of the East, Russia, or Japan—to take our eyes even further east. Then in the other direction—in the North Atlantic region, the United States. In other words, a good deal of countries with which building relations is important may be listed. [passage omitted]

[Correspondent] How much more likely is the signing of the Hungarian-Romanian Treaty now, after the meeting of the two countries' prime ministers in Trieste last weekend?

[Kovacs] Well, I do not see it as a greater possibility now. After all, on the Hungarian side the intention has been there already, on the Romanian side the intention has been voiced already but neither of us has moved beyond this at Trieste either. [passage omitted]

It was voiced by the Romanian side that a prime ministerial meeting will be a good thing. Hungarian Prime Minister Gyula Horn reacted favorably. They naturally did not discuss a date. However, we can look back at the past four years during which there was no prime ministerial meeting and we can measure the degree to which Hungary's reluctance to hold such a meeting helped to improve Hungarian-Romanian relations or the cause of the Hungarian minorities. I think the answer is that it helped by not one iota and therefore, it is commendable that a prime ministerial meeting be held at the appropriate time. [passage omitted]

Reportage on Defense Ministers' Meetings

Walesa Meets France's Leotard

LD1807162194 Warsaw Radio Warszawa Network in Polish 1400 GMT 18 Jul 94

[Text] This afternoon President Lech Walesa departed from Okecie Military Airport for a three-day official visit to Ankara. He will also visit Sofia. Before his departure, Walesa conferred with French Defense Minister Francois Leotard. When asked what was discussed at the meeting with the French defense minister, Walesa told correspondents]

[Begin Walesa recording] This is the beginning of the visit. We have said that we are now at a crucial point and that we must not make a mistake today, that there is now a chance for peace and stability in Europe. However, everything has to be discussed in detail, and we should embark on building Europe together. We are agreed on this. [end recording]

Ruhe on NATO

LD1807150694 Berlin DDP/ADN in German 1426 GMT 18 Jul 94

[Excerpt] Warsaw (DDP/ADN)—German Defense Minister Volker Ruehe believes that Poland will join NATO before the year 2000. Ruehe said in Warsaw today, following talks with Polish Prime Minister Waldemar Pawlak, that accession before the end of the century is possible. However, the precise date depends on Warsaw because Poland has preparatory work to do before joining. Pawlak highlighted in this context the need to harmonize technical and information standards. [passage omitted]

Pawlak Meets With Ministers

LD1807185694 Warsaw PAP in Polish 1705 GMT 18 Jul 94

[Text] Warsaw, 18 Jul—Prime Minister Waldemar Pawlak met French Defense Minister F. Leotard, German Defense Minister V. Ruehe, and Polish Defense Minister P. Kolodziejczyk on 18 July, the Government Press Office announced.

The Polish prime minister emphasized that France and Germany were unambiguous supporters of Poland's admission into NATO and that determination with regard to this issue is the basis for a secure future. Prime Minister Waldemar Pawlak also came out in favor of direct military cooperation between our armies as the best way for Poland to be united with Europe.

Defense Minister Piotr Kolodziejczyk pointed out that the agreements reached by the three ministers in Paris this past March were being fully implemented. The minister added that the two countries had supported our aspirations to become associated with the structures of the Western European Union and Poland's efforts to achieve security on the continent, which should be based on the principles of the Partnership for Peace program.

The guests expressed appreciation of the trilateral cooperation so far and invited a Polish Army unit to take part in the exercises to be held in France this October. It was stated that direct military cooperation would contribute to Poland's better and faster integration with the European Union countries.

The Polish side suggested that the same standards should be introduced in the area of information technology, which would facilitate an easier exchange of information between our armies, the communique says.

Walesa Comments Before Departing for Ankara

LD1807185494 Warsaw Radio Warszawa Network in Polish 1700 GMT 18 Jul 94

[Excerpts] President Lech Walesa left for Ankara today for an official visit at the invitation of Turkish Republic President Suleyman Demirel. Before his departure, he spoke at Warsaw's Okecie airport with French Defense Minister Francois Leotard, who was just arriving.

[Begin recording] [Passage omitted] [Reporter] How do you assess the fact that Prime Minister Pawlak is deferring privatization?

[Walesa] I am worried, although it is necessary to remember that the prime minister is responsible for the technical execution, and that is why it is good that he does not want to commit errors. On the other hand, it is necessary to check whether this is not a delay.

[Reporter] President, if the case of the Huta Lucchini steelworks is not clarified by your return, will you [words indistinct] to do something?

[Walesa] [words indistinct] I was ready, am ready. I maintain that the government here—of course, a number of previous governments, too—is nonetheless entwined in the fact that these processes are only weakly influenced [as heard]. The owner of the steelworks can object that he had not, that he was not able to invest, that this thus did not bring him profit. That is why the government is historically burdened with the rights associated with the steelworks.

[Reporter] What are the chances of bringing Bagsik [controversial financier] back to this country?

[Walesa] I would wish that this matter be finally resolved and that the law finally be the law, and unambiguously so. [passage omitted]

[Reporter] Bagsik claims that, in Poland, he will not have a chance of a fair trial.

[Walesa] Then I give him my word that there will be a fair trial, all the more because I hear that he has also said something about the chancellery. [passage omitted] A state of law must respect the law, and that is why I think that, nonetheless, the law will triumph. [end recording]

Bulgarian Army Chief of Staff Arrives on Visit

LD1807150994 Warsaw Radio Warszawa Network in Polish 1200 GMT 18 Jul 94

[Text] Army General Lyuben Petrov, chief of the General Staff of the Bulgarian Army, has arrived on an official three-day visit to Poland today. General Tadeusz Wilecki, chief of the General Staff of the Polish Army, has declared a willingness for cooperation between the Polish Army and his Bulgarian partner's armed forces.

[Begin Wilecki recording] As part of the previous treaty, we had many joint interests, particularly in the area of arms production. Today, certain things have to be recreated in order to maintain the readiness of the armed forces. We have to continue to manufacture certain things.

Bulgaria is an important country in the Balkans. The Bulgarian Armed Forces represent a significant potential. We are interested in military cooperation with Bulgaria, both in general military matters and in the area of technology. [end recording]

The German defense minster is already in Poland. The French defense minister is arriving shortly. President Lech Walesa, who is leaving for Turkey today, will also visit Bulgaria.

[Begin Wilecki recording] Your examples show how active our military and foreign policies are. The Polish Army and the Ministry of Defense lay out policies on all directions. Of course, we are primarily interested in the Western direction, but this does not mean that we want to cut ourselves off different directions, where the interest of our country and the interest of the Army calls for maintaining contacts.

Senate Speaker on Chamber, PSL, Church Rapport

WS1807120094 Warsaw TRYBUNA in Polish 16-17 Jul 94 pp 1, 7

[Interview with Polish Senate Speaker Adam Struzik by Ewa Rosolak; place and date not given: "We Will Not Be Humble"]

[Text] [Rosolak] According to you, Mr. Speaker, the Senate should not be a chamber of reflection but one of consultation. At the beginning of the Senate's term, you suggested that it become a self-governmental chamber. Do you still support that position?

[Struzik] Absolutely, yes. I would stress again, however, that my understanding of a self-governmental chamber does not imply giving up the Senate's constitutional powers. The point is to maintain these powers and to strengthen the prerogatives of the Senate as a representative of self-governmental groups, broadly speaking, and of any possible extragovernmental institutions.

[Rosolak] Currently, regional, economic, and professional self-governments do not have representation of their own at the central level, and even the National Self-Government Assembly [Krajowy Sejmik Samorzadowy] is merely an advisory institution.

[Struzik] We debated this topic at length during many meetings—with the Physicians' Chamber, the Nurses' Chamber, notaries public, legal experts, other professional corporations, and representatives of regional self-governments. The point is not to render the Senate identifiable with corporationism but to endow these social groups with representation at the level of legislative authorities.

[Rosolak] So there will no longer be a Senate?

[Struzik] The establishment of a self-governmental chamber would not have to mean an automatic change of name. One could imagine a situation where, to be able to run for a Senate seat, one would have to have, aside from signatures, the formal support of one of the institutions defined in the electoral law of local self-governments, professional self-governments, or extragovernmental institutions.

The recent self-governmental elections prove to me, given this enormous level of involvement by self-governments in political fighting, that it would be a good thing if they could have their own representation in Warsaw.

[Rosolak] Speaking about self-governments, the Polish Peasant Party [PSL] is among the parties that scored best in these elections, but PSL activists still regard that as an unsatisfactory result.

[Struzik] We deem the election results to be decent but not extraordinarily good. We expected to gain more seats in towns whose sizes could be described as substantial. Unfortunately, the sociological division continues, into the small-town electorate with which the PSL did not lose, and the electorate of major cities, where the most successful parties were the Democratic Left Alliance [SLD] and Freedom Union [UW].

[Rosolak] The topics most often mentioned by the PSL are: debate on the Concordat; the easing of the terms of availability of abortion, which had been planned before the elections; attacks launched on the concept of powiats [small administrative units]; and the introduction of compensatory prices, which was implemented too late. Your electorate, Mr. Speaker, adds the following on top of that: insufficient information regarding the coalition's achievements, and the clergy that is unfavorably predisposed toward the PSL.

[Struzik] Our electorate differs somewhat from that of the SLD or UW. The conflict surrounding the Concordat and the Penal Code's liberalization was definitely not a positive thing from the PSL's perspective. Many of our sympathizers and members are practicing believers.

You also have to keep in mind, however, that the PSL's position was slightly different from that of our coalition partner (SLD), even though it turned out in the end that we were perceived as simply being part of the coalition.

[Rosolak] In many gminas [small administrative units], the election results failed to establish definite winners. Political parties must share power...

[Struzik] It is a good thing for democracy in Poland that we have a balance among the self-governments, more or less. Gaining a definite advantage by the coalition in these elections could cause self-criticism to be lost along the way. The feeling that the opposition is right behind our backs, that there are people ready to take over power, that political debates and fighting continue, that the ruthless criticism of the coalition by the opposition is going on—all of that is responsible for the coalition's consolidation.

The example of UW, which established a coalition with the right wing because it cannot do the same with the left wing, demonstrates that to reverse the alliances all of a sudden and to render them an alternative to the current coalition is not a simple thing to accomplish.

The point is that this coalition's alternatives are slim, while a majority that could be gained this way would be very fragile in parliament and would mean a division between rural and urban groups.

[Rosolak] What kind of party is the PSL? According to some, it was supposed to be a Christian-democratic party, but it has not been succeeding in that recently. The view you expressed, Mr. Speaker, that PSL members will not sit quietly in the hallway, was much publicized throughout the country.

[Struzik] I do not take that statement back. It was quite pointed, I must admit, but my point was that politicians and parties should be viewed objectively. A majority of Sejm deputies and senators from the SLD are of the clear and unambiguous view that they are in favor of postponing the ratification of the Concordat until after the Constitution is adopted and that the Penal Code should be amended.

The PSL also formulated a clear view, through a resolution of its Chief Council and votes of a majority of its Sejm deputies, that we are in favor of the Concordat's ratification soon. So there is no reason to generalize negative and very biased views on the coalition as a whole.

In other parties, such as UW, people also voted in different ways, but church officials did not label them postcommunist. That hurt me a lot because I am associated with the church, and I am a practicing believer. I have never been anticlergy, nor have I been very heavily proclergy, either, so I simply thought that should be said out loud. I am eager for the PSL to be treated honestly and on equal terms, as we deserve to be treated.

I recently received some letters from clergy members in which they said that someone who speaks in public this way is not a Catholic. I do not quite agree with that view because, as a politician and a Catholic at the same time, I have a right to express my views.

I also made an appeal in my statement to the effect that we should not allow for a division of the nation to occur again. I mean a division into postcommunists, on the one hand, and good Poles who back the church, on the other. That division is not true. Divisions—in the Sejm, for instance—span across Sejm deputies' clubs. It is not the case that the origins of political parties are a determining factor. The truth is that Sejm deputies and senators, who were elected in free and democratic elections, differ in their views on the church, and they have a right to that. Some of them do not believe in God, while some others are not only believers but also practicing believers.

That is why my view is that one just cannot make such simple divisions: Here, on the one hand, are the postcommunists who are provoking a war with the church, while, on the other, we have noble people, associated with the ethos [not further specified], who are in favor of the Concordat and of an absolute prohibition on abortion... The real divisions are along slightly different lines, and that was what I wanted to demonstrate.

[Rosolak] You said back then that cooperation, mutual coexistence, and cocreation of Poland are the most important things...

[Struzik] I think that the church, state institutions, and political parties should first of all consider the possibility of cooperation for the sake of Poland in what they do. It is not a good thing when one begins to render ethical problems political ones and when one divides society that way.

It was Witos [historical peasant activist figure] who expressed it best when he said that, when it comes to matters of faith, he listens to his church vicar, but when it comes to politics, he listens to his own reasoning. I think this is the way it should really be. These days, however, different concepts get mixed up, and various parties begin to play ideological and ethical problems to their own advantage. In a sense, they are also beginning to trade in political emotions. If they do it so as to win power for themselves or to weaken those who have such power, it is not a good thing.

[Rosolak] So what kind of a party is the PSL?

[Struzik] We are a party whose members are believers in an overwhelming majority. These people are associated with the church at the local level, but we are also a party that functions on the basis of the principles of Christian ethics and the church's social teachings. These fundamentals have been defined in our basic documents.

[Rosolak] Accusations have been levied that PSL members have not been implementing these fundamentals in practice...

[Struzik] That is not the case. As practice demonstrates, implementation is not a simple thing. The practice of the functioning of the church also shows that programs and ideals are quite beautiful, but, when it comes to their practical implementation, that is quite another story. What is important is that we are striving toward that.

There are people in our party who have different views, but we cannot be so orthodox as to tell them: You cannot be a PSL member because you are not a practicing and active Catholic.

I said we will not be humble in the sense that we will not be functioning on the principle that we get respect when somebody needs us during a vote and when we vote the right way, but, when a few of us deviate from the trend because their views are different, we are criticized for "demonstrating a different position" and for our "deeds not matching our words."

[Rosolak] Mr. Speaker, this is how a rebellion usually begins.

[Struzik] It is not a rebellion. I am just demanding that there be respect for other views. That is what the fundamental principle of democracy is all about, while tolerance is its inherent trait. A minority must enjoy the same rights as the majority. A minority cannot determine the majority's fate, but, on the other hand, the majority cannot be allowed to determine how the minority lives. That is all there is to it.

[Rosolak] Is the PSL the last of the class-based parties, one that defends the interests of the people in Poland's rural areas, or is it rather a party whose direction tends to be toward becoming an all-nation party?

[Struzik] You introduced three concepts here describing parties: Christian-democratic, class, and all-nation. It is precisely these three concepts that can determine what the PSL will become in the future.

[Rosolak] Why is that?

[Struzik] Forty percent of Polish society lives in rural areas and small towns, so it would be hard to imagine being in power in Poland without the participation of these people. The PSL is their natural and traditional representative.

A majority of these people are practicing believers, whereas we have been confessing our attachment to the church's social teachings and to the principles of Christian ethics.

In our party, we have representatives of the intelligentsia, which derives from the countryside in the first or second generation, just as does 80 percent of Polish society. In cases where these people are university graduates, they are professors, physicians, and engineers, but they continue to feel emotionally tied to the environment from which they came. They are not ashamed of that environment, and they identify with it. That is still more proof that the PSL is an all-nation party.

In a situation where a history professor is one of the deputy prime ministers, while an automobile engineer and a farmer at the same time is prime minister, and where a physician who had initiated his work in rural areas and who continues to live in a small town is now Senate speaker, you can see that they represent different groups of society.

Often, we try to define our reality by making divisions into black and white, Christian-democratic elements and class ones. I say: No. The PSL is a party that contains all of these elements.

[Rosolak] Currently, the PSL has been positioning itself in the center. In what direction does it want to head?

[Struzik] We are currently at the center of the political spectrum, with a clear shift to the left because that is a consequence of our sensitivity to human poverty and harm, and also of the fact that a peasant values his labor more than he does capital.

It would be hard to expect people who come from poor groups and who later advanced socially to simply forget the conditions under which they were raised.

[Rosolak] I believe a conversation with Senate speaker should end with a question about the work of his chamber. What is your evaluation of what has happened since the [19 September 1993] elections?

[Struzik] It has been a period of very intensive work. Our work was determined by the rate of the Sejm's proceedings. Since 15 October, we have held 26 Senate sessions, the Senate has adopted 91 resolutions, and positions have been taken on 64 laws. The Senate has also introduced amendments to 25 laws. The Sejm approved all of the amendments to five of the laws, approved several amendments to 11 laws, rejected all amendments with regard to four laws, and still has not debated several other amendments to five laws. We have had some legislative initiatives, and some others are in progress.

[Rosolak] How many such initiatives have there been?

[Struzik] A total of eight. That may not seem like a very high figure, but you have to keep in mind that the Senate's legislative initiative has the longest legislative path of all, and if often happens that we present our ideas and solutions to our colleagues in the Sejm because the length of proceedings is much shorter in the Sejm.

After these several months, I still think the Senate is needed. Errors in Sejm laws or in governmental documents that we have spotted demonstrate the need to have this kind of safety measure in the form of a second chamber.

[Rosolak] Thank you for the conversation.

Comment: Parties' Role in Presidential Elections

WS1807140494 Warsaw ZYCIE WARSZAWY in Polish 16 Jul 94 p 4

[Commentary by Igor Zalewski under the "Analysis" rubric: "A Party President or a Nonparty One?"]

[Text] In stable Western democracies, popular presidential elections are of a strictly party nature: Candidates are designated by their parties, while it is the personal traits and position of the party from which a candidate comes that

determine the election outcome. In countries where the party system has been in operation for decades or even longer, social sympathies are mostly "divided" among individual parties, and it is extremely hard to interfere with such fixed arrangements. Phenomena such as Ross Perot, who succeeded in "getting his foot in the door" between the Democrats and the Republicans in the United States, are very rare. Popular presidential elections resemble a battle in which, instead of armies (that is to say, parties), it is party leaders or the boldest warriors that fight one another. "Guerrillas" do not have a chance in such battles.

It seems that we will be able to choose from among two types of candidates in the Polish presidential elections in 1995: representatives of political parties and those candidates who are trying to retreat from parties. So the elections will not be just a confrontation, as it seems at this stage, between the world of the Polish People's Republic and the post-August [1980] Poland. There will also be a clash between enthusiasts of Western political standards and those politicians who think that another model of politics is needed that would make it possible to establish a thread of agreement within society that has been broken.

In the previous presidential elections, nonparty candidates scored a triumph. That was understandable because postcommunist parties were going through a quarantine in their political isolation room, while post-Solidarity parties were born only very recently. The biggest mutual rivals of 1990—Lech Walesa and Tadeusz Mazowiecki—represented two trends of the large Solidarity movement. Parties promoting their candidacies (Center Accord, Christian-National Union, Liberal-Democratic Congress, on the one hand, and Citizens Movement-Democratic Action and Forum of the Democratic Right, on the other) performed auxiliary functions, and it is candidates who lent some of their popularity to the parties, not the other way around. The power of both names was much bigger at the time than the strength of party names.

Stan Tyminski, the "black horse" of those elections, was not a party candidate, either, but, over an incredibly short period of time, he managed to establish a movement that could be called "anti-Solidarity."

Over the four years that followed, the Polish political scene was subjected to speedy evolution and is now beginning to resemble some Western prototypes. There are increasingly fewer parties, but they are increasingly stronger. Nonparty political creatures have ceased to count any longer.

Paradoxically, however, along with the strengthening of political parties, social disdain for the organizations has been on the rise. The world of politics is perceived as cruel and evil, while the parties, according to social perceptions, care only for themselves and not the state or voters. So, even before a party system manages to put down roots, it is already experiencing a major crisis.

The presidential elections may determine the system's future. Lech Walesa, the Belweder's current resident, will definitely be running from a supraparty position. He has had to fight against his own political backing of 1990, and desperate attempts to reinstate that backing have proved fruitless. Because Walesa is in disagreement with the parties, he will most probably be fighting them in the race, while taking advantage of the social aversion to "party games." He is hoping he can move on to the second round of elections, where he will face a postcommunist candidate, and then the "post-August" Poland will have to support Walesa because it will have no choice. It will be very difficult for Walesa, however, to convince society that he himself has nothing to do with the dirty world of parties and politicians.

Whereas Walesa separates himself from parties by necessity (because no party wants him), Jacek Kuron's view is that the parties have shut themselves off in their own world, and they are incapable of reaching out to society from behind the walls of their world. What could replace the parties? A system of social agreements? Some kind of a social movement?

The fact that Kuron's vision does not really include room for parties raises protests from his colleagues in the Freedom Union [UW]. UW members are also talking about Kuron's presidential aspirations. If he were to implement these aspirations against UW's wishes by establishing a loose camp of left-wing views around himself, he could provoke a series of quakes on the political scene– from UW to the Democratic Left Alliance.

Politicians of the Union of Real Politics [UPR] are also talking about the need for a candidate going beyond party rules, a Polish "Berlusconi." Even though they have been looking at the political scene from a perspective that is opposite that of Kuron, UPR politicians in essence share his contentions by describing the state of social moods in their own language: "Complete ignorance." So they, too, are looking for a Polish Berlusconi.

One must remember, however, that Stan Tyminski played a similar role in 1990, and then he disappointed his supporters. So is there still a need for this kind of figure? Parties, even though they are disliked and ridiculed, can count on the flocks of their supporters. The self-governmental elections demonstrated that, even in these least political of all elections, parties and coalitions won over local figures, famous personalities, and various charlatans. The question is: Will they be able to do the trick nationwide?

Despite their flaws, parties make democracy a clear and easily understandable structure. If they want to act for years to come, however, they cannot afford "totally radical moves," or they will end up like those in Italy. Without parties, political responsibility gets blurred, while informal and dangerous arrangements get established. So, in that case at least, it is a safer thing just to strive at world standards. So far, nothing superior has been invented.

Li Peng Assesses Relations With Europe, U.S.

AU1807153994 Bucharest ADEVARUL in Romanian 13 Jul 94 pp 1,10

[Interview with Prime Minister of the PRC Council of State Li Peng, by Bogdan Chirieac; in Bucharest on 12 July: "Romania Is China's Greatest Economic Partner"]

[Text] [Chirieac] Mr. Prime Minister, in the context of its evolution over the recent years, how do you assess the stage currently reached in the relations between China and the countries you visited during you current European tour, namely Austria, Germany, and, especially, Romania?

[Li] You were quite right when you said that the international situation has undergone great changes. During my current European tour, I had the opportunity to meet the heads of state of Austria, Germany, and Romania. The purpose of those visits was to deepen mutual knowledge and cooperation. During my visit to Romania, I held talks with Prime Minister Nicolae Vacaroiu and President Ion Iliescu. I held very interesting talks with my Romanian partners and we found that, in the case of many issues, we have common points of view.

[Chirieac] How do you appraise the perspectives of economic cooperation between Romania and China?

[Li] The current relations between our countries are excellent. Right now, Romania is China's greatest economic partner in Eastern Europe. If we observe the five principles of peaceful coexistence, our relations will continue to develop on the basis of equality and mutual advantage.

[Chirieac] Currently, in Europe, the process of NATO's expansion toward the east is taking place. In principle, the existence of any military alliance presupposes the existence of an opponent. In that context, do you believe that China could become the opponent of NATO? What is China's position regarding the fact that Central and Eastern European countries have signed the Partnership for Peace with the North-Atlantic Alliance?

[Li] After the conclusion of the Cold War, the world did not quiet down. There is a pronounced phenomenon of economic decline, and poverty causes instability. Recently, many countries have signed the documents on partnership relations and if this is beneficial for regional peace and security, China has no objections.

[Chirieac] How do you assess the decision of the U.S. administration to de-politize the issue of granting most-favored- nation status to China, in the sense that it dissociated it from the issue of the observance of human rights in your country?

[Li] The status is beneficial both for China and for the United States. Here we are dealing with reciprocity. The United States had to separate the two issues. For a long time, the West used the issue of human rights as a weapon against China.

[Chirieac] In the past, Romania and China used to have special relations. Do you consider that, currently, the resumption of those relations is possible?

[Li] Our current relations are very good. We know the geopolitical importance of your country very well and therefore we dedicate much attention to our relations with your country.

[Chirieac] Mr. Prime Minister, recently you visited the Murfatlar region. Which wines did you like best there?

[Li] I tasted eight sorts of wine. My wife liked "the wine of the lovers," the Muscat best. That is a very sweet wine. I liked the Pinot Noir best, which contains only 4 percent sugar. I was offered a few bottles, which I will take home to enjoy with my family. Our vice prime minister, however, thinks that despite the fact that Romanian wines are very good, you export them at half a dollar per liter. That is far too cheap.

Intelligence Service Director Interviewed

AU1807144894 Bucharest ROMANIA LIBERA in Romanian 12 Jul 94 p 3

[Interview with Virgil Magureanu, director of the Romanian Intelligence Service, by Bogdan Burileanu; place and date not given: "People Who Know Everything Do Not Exist!"]

[Text] [Burileanu] Justifiably or not, a large segment of public opinion considers you, esteemed Mr. Director, the best informed man in Romania. Are you flattered by such an appraisal? Does it spur you to more responsibility or does it leave you indifferent?

[Magureanu] The correct answer would be related to the second variation you mentioned. I do not think that anyone could claim to be, as one's exclusive monopoly, "the best informed man." Nevertheless, by the nature and profile of the institution, the person who leads it has to keep in touch with the principal problems. As the truth is always somewhere in the middle, in my opinion, people who know everything do not exist!

[Burileanu] I did not say that you know everything, I used the phrase "the best informed man"...

[Magureanu] I would like to point out that I understand that phrase as one referring to persons who keep abreast of the truly grave problems society might face. I could even say that it is our desire to aspire to that. I am glad that your question also includes an aspiration—namely to become a person situated above random and insignificant facts, and to truly keep in touch with every aspect related to the essential progress of society.

[Burileanu] On the basis of the information currently available, I would like to ask you to briefly assess, for the readers of ROMANIA LIBERA, the geostrategic, political, and economic context of today's Romania.

[Magureanu] Such a question could lead to your publishing an interview without any questions whatsoever.

[Burileanu] That is why I asked you, I stress, to make a brief assessment.

[Magureanu] The geostrategic context is not a given, fixed thing. Currently Romania is in one of the most interesting positions in southeast Europe. Over hundreds of years we have been at the crossroads of great empires. Later on, more recently, we represented a factor that during the Cold War manifested certain dissidence and had a unique position in the confrontation between the two superpowers. Even under the circumstances of communist totalitarianism, Romania could afford, in the constructive sense, a position of relative insubordination with respect to the superpower in east Europe. Today our position has become seductive, even. However, in and of itself, such a position does not offer any advantages if it is not accompanied by a specific dynamic in the country's domestic development.

[Burileanu] What do you mean?

[Magureanu] In evolving, any people can turn to good account their geostrategic position. But they can also waste the opportunity, in which case that geostrategic position will place it at a disadvantage. If there is not sufficient lucidity regarding strategic options, we could become the prey, rather than the main protagonist, in the race to achieve significant progress. Currently our position is really interesting, in the sense that we still have the chance to achieve the historic accomplishments we have been all craving for. I will not name concretely all the factors the geostrategic context consists of...

[Burileanu] Would you at least point out the principal ones?

[Magureanu] They are well-known. It depends entirely on us whether we can turn to good account the advantages of our current geostrategic position. Political forces are the factors that can materialize or, on the contrary, waste certain favorable circumstances. I find that our development toward democracy, although a lengthy and painful process, can still be accomplished. Democracy has made obvious progress in Romanian society, despite the fact that there are numerous factors hindering that positive course.

[Burileanu] Name at least those factors.

[Magureanu] It is the lack—for the time being—of a legislative framework that could generate general political progress and favor, to a more significant extent, the assertion of certain democratic values. I am referring to juridical stipulations that should ensure the necessary framework for the laws to be implemented. So that certain domains of public life could be morally cured. Corruption is also one of the blocking factors.

[Burileanu] But the Penal Code has extremely clear stipulations! Nevertheless, they do not pay much attention to it, preferring surrogates, such as the Vonica-type parliamentary panels.

[Magureanu] The Penal Code is not sufficient. Its stipulations must be implemented also!

[Burileanu] That is perfectly true. However, the implementation of its stipulation has nothing to do with the legislative framework, but rather with those who (do not) implement them. That is, those who currently hold power, right?

[Magureanu] You are compelling me to say that there have been other societies with an "admirable" legislative framework, with stipulations that apparently surpassed even the highest standards of democracy...

[Burileanu] You mean popular democracy...

[Magureanu] Where nevertheless, arbitrary decisions and even a power vacuum were quite obvious. In our country one of the causes of the crisis is the persistent discrepancy between legal stipulations and the way they are being implemented. Political balance also depends on that. Absolutely all the factors currently in the political race are evincing, in my opinion, some stagnation. Some of them are even evincing decline. Despite all this, there is not yet a definitely established course that would make it impossible for things and situations that contradict our laws to occur.

[Burileanu] Let us continue with the economic angle of the issue.

[Magureanu] One of the most serious aspects of the crisis we are facing is, doubtless, the economic stagnation. Without intentional reference to Marxist thought, one must admit that the economy, in its current relative stagnation, causes extremely serious repercussions. No doubt, there are certain interdependent aspects here. But leaving Marxist assessments aside, I can assure you that no society in today's world could be stabilized without making its economy function within normal parameters. Whereas in our country quite extensive layers of society have reached their limit. Chronic poverty and, on the other side, the opulence displayed by a minority of people betray a faulty distribution of wealth. And this, at the level of the whole of society, represents a destabilizing factor.

[Burileanu] Given the information you receive, what comprises, in your opinion, the immediate but also future perils that should be watched out for and that the unitary, national, and law-governed Romanian state should be prepared to counter?

[Magureanu] The first and perhaps the most obvious one in our subjective state is an almost complete skepticism with respect to what we ought to do; the absence of sufficiently credible guidelines among the majority of society; the distrust in values around which a national

consensus could develop, values that could make possible the accomplishment of the law-governed state you mentioned. None of the parties currently confronting each other on the political scene has managed, until now, to come up with real alternatives, viable solutions capable of convincing the majority of the population that they should be followed. Second, I would mention the precarious state of our material resources. This is a very serious cause of concern. The recently debated and passed budget earmarks for our national defense funds that are totally insufficient compared to the needs of our armed forces.

[Burileanu] Have we reached the subject of external perils?

[Magureanu] There is no imminent danger to us from any country. But that does not make the current state of our national security less critical. That is so because we are facing a number of phenomena already existing on the territory of several states surrounding ours, such as organized crime and the existence of certain Mafia-type networks, which intend to overturn the existing legislative framework. There are perils that are common to all transition countries, and therefore Romania as well. All this is the source of another type of grave danger, namely that certain crisis-torn societies might extrapolate them by attempting to implement certain maneuvers abroad. Let us not forget that we are in the near vicinity of the Bosnian hotbed...

[Burileanu] And of the ex-Soviet one!

[Magureanu] Thus, we might be at the center of certain terrorist phenomena. After the collapse of certain empires, certain extremist forces are still trying to win the game by raising issues that outdo the former extremist mentality. In conclusion, I would like to point out that one of the potential perils is to be found inside our country, and consists of the absence of a new and a coherent political class, having a well-defined set of values in its social activity. This is so because not all of the political parties that were set up in the wake of 1989 have a well-defined political profile, while others are still organized in such a way as to prove that they have still not decisively split with the old thinking.

[Burileanu] Which one is the more serious danger: Hungarian irredentism or Slav expansion—I am referring to Zhirinovskiy's empire, from the Adriatic Sea to the Kuril Islands?

[Magureanu] You see, I would never use such terms in a discussion, pointing so definitely toward just one direction. If I defined any of the things you mentioned as a serious danger to our development, I would fall into the trap of immeasurable subjectivism. Both factors you mentioned are offensive at a subjective level, rather than objectively dangerous for Romanian society. No doubt about it, there are irredentist manifestations in our country. But not solely on behalf of the ethnic Hungarians! Nevertheless, such phenomena are unable to question the unitary character and integrity of the Romanian state. About the Zhirinovskiy phenomenon—I am surprised that you brought it up at all. There are no connections between his exorbitant assertions and possible real historic developments in our geopolitical region. Zhirinovskiy is the expression of the profound crisis facing Russian society, and, against that background, the expression of all kinds of morbid tendencies in their politics. Nevertheless, I do not believe in the least that such a phenomenon could generate negative impulses that could directly reflect upon Romanian society. Yes, they could generate uneasiness. They could enhance the confusion with which we are currently confronted. They might distract us from making certain decisions we have to make, but not more than that. It is true, nationalist extremism can cause a great deal of harm, wherever it becomes manifest. However, democratic societies do have means by which they can keep it under control and protect themselves against its noxious consequences. There are also Romanian nationalists who display the same kind of fanatic stance and hotheadedness, which are not beneficial to our internal balance.

[Burileanu] In connection with the famous thesis regarding a 17 June assassination attempt [reference to Greater Romania Party leader Corneliu Vadim Tudor's claim that the opposition planned to assassinate President Ion Iliescu on 17 June]; in your opinion who began circulating such rumors, to what end, and what could be the consequences of such actions?

[Magureanu] They counted, as so often before, on the adverse reaction time of someone like Senator Corneliu Vadim Tudor. In my opinion, this was some kind of diversion, as they entrusted that news to a person whose reaction they anticipated. I would not have mentioned this issue, but it has already happened many times that the most incredible news has circulated owing to his well-known reaction and lack of power of discernment. We are dealing with a craving for the sensational displayed by some of our public personalities. I am in possession of information proving that certain circles, anticipating such a reaction, fed him the news. Because otherwise such a situation, the assassination of the president, is absurd in our country. I said this from the very beginning and it would have been much better if we had been consulted prior to airing such a foolish thing. One must not terrify Romanian public opinion, one should display more respect for it and not alarm it with such regrettable things.

[Burileanu] What information do you possess regarding the factors—respectively, the persons—who leaked that top secret material on our defense industry from the Supreme Defense Council straight to the weekly ROMANIA MARE?

[Magureanu] We were not involved in any way. They did not even ask for any explanations in this sense. Doubtless, the leak was possible due to a public servant's lack of correctness. But such things are under control, I mean,

we know who he is, and quite resolute decisions should be taken in this respect. But the case has been completely cleared up.

[Burileanu] There has been speculation, perhaps it is even a diversion, claiming that after Yuriy Andropov and George Bush, you will be the third head of an intelligence service to become a head of a state. I would like to ask you to comment on that, I repeat, speculation, which is actually quite spectacular.

[Magureanu] I dislike the subject very much. Such guesswork is most often than not made without any real knowledge of the issue, and it never has any real foundation. I am totally devoid of such aspirations or craving. As to the analogy being made, it is quite farfetched and superficial. That is why I prefer not to comment on it at all. There is no other choice.

UDMR Considers 'Civil Disobedience' Campaign

AU1207150094 Bucharest Radio Romania Network in Romanian 1300 GMT 12 Jul 94

[Text] The Council of Representatives of the Democratic Union of Hungarians in Romania [UDMR] plans a change in its strategy, which for the Hungarian community might mean, quote, to start off on the path of civil disobedience, unquote, reads a decision made by the Council in Cluj Napoca on Sunday, 10 July, and published today.

According to ROMPRES, the reason for the change of strategy is the draft education law that has been passed by the Chamber of Deputies and is considered by the UDMR as being marked by centralist tendencies that are a retrograde step compared with the Ceausescu legislation on the issue.

According to the preamble of the document, the solution to the preservation of the national identity of Hungarians would be to have a legal guarantee through the law of the community's self- determination, that is, the personal autonomy and the autonomy of local administration.

The decision also requests, among other things, that the future basic Romanian-Hungarian treaty should include guarantees regarding the autonomy of the educational system of minorities and plans to send members to various international forums, ROMPRES reports.

Rights Group Alerts CSCE to Cluj Tension

AU1207152594 Bucharest Radio Romania Network in Romanian 1300 GMT 12 Jul 94

[Text] The League for the Defense of Human Rights [LADO] has notified the High Commission of the CSCE in Warsaw to commence the "early alert" process stipulated in Chapter 2 of the Helsinki Decisions of 9-11 July 1992, concerning the increasing tension in Cluj municipality, reads a LADO communique that we have received at our editorial office.

According to the communique, LADO has been compelled to take the action, as it is obliged to do so as an observer of human rights practices in Romania.

The document claims that in the past years, the Hungarian minority has been the major target of local authority pressure, also encouraged by the central authorities, which instead of appeasing the differences between the Romanian majority population and the Hungarian minority, have adopted positions that contribute to the increase in inter-ethnic tensions.

LADO reminds citizens that Romania has ratified a number of international acts stating that minorities have exactly the same rights as the Romanian majority and these have to be respected literally, the communique faxed to our editorial office reads.

Milosevic Talks to Leaders Before Pale Session

LD1807164994 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 18 Jul 94

[Excerpt] Now about Pale and a meeting in Belgrade last night. How could Milosevic avoid sanctions and a lot more? Sonja Badel reports from Belgrade:

[Badel] Judging by all statements by Bosnian Serb leaders before today's session of the so-called assembly, it was expected that the Bosnia peace plan would be rejected, or that its acceptance would be made conditional on various demands, something that the international circles would interpret as a rejection.

It was learned late last night that Serbian President Slobodan Milosevic had received Karadzic, Krajisnik, and Koljevic in an army villa in Dobanovci near Belgrade. This gave rise to hope among all those who wish for a positive answer by the Bosnian Serbs and an end to the war. It is being assumed that Milosevic tried to persuade the Bosnian [Serb] troika to accept the peace plan, using both threats and promises, anything that would help Serbia and him personally to get out of the situation whereby the financial and political burden of the war has become unbearable.

The five-hour delay of the so-called assembly session in Pale was due to additional consultations, as instructed by Milosevic, it is being interpreted here. [passage omitted]

Karadzic on Possible Acceptance of Peace Plan

LD1907095694 Belgrade TANJUG Domestic Service in Serbo-Croatian 0919 GMT 19 Jul 94

[Excerpt] Sarajevo, 19 Jul (TANJUG)—Radovan Karadzic, president of the Srpska republic, indicated this morning, before the assembly session resumed in Pale, that the assembly could make a decision conditionally to accept the Contact Group's plan on the territorial division of Bosnia.

"We have still not made a decision, but I hope that we shall accept the Contact Group's plan in a way," Karadzic said.

Acceptance of the plan "in a way"—it is being assessed in Pale—means that the Srpska republic demands that the Contact Group explain or expand the proposals concerning not only the territorial division of Bosnia but also its future organization. [passage omitted]

Views Pros, Cons

LD1807205194 Belgrade TANJUG in English 1931 GMT 18 Jul 94

[Text] Sarajevo, July 18 (TANJUG)—Bosnian Serb president Radovan Karadzic said Monday that rejecting the Bosnia division plan would be disastrous, but said accepting it without guarantees for peace was also full of uncertainty.

"The entire world wants our signature, but we don't know why they want it so badly. Is it because of peace or because they want to bring foreign troops to our country and to the border with Serbia." Karardzic asked in an address to the Bosnian Serb parliament.

He was speaking in the town of Pale outside Sarajevo at a Bosnian Serb parliamentary session convened to respond to the division plan. Karadzic said the Bosnian Serbs had two options...

They could "bow to ultimatums, adjust to the interests of powers that do not favour us, wait for them to have mercy and leave us alone without knowing when this is going to happen—or—hold out and fight for freedom and justice."

Karadzic warned that in either case, the Serbs should be ready to accept the consequences.

He also said that the Bosnian Serbs were being asked to hand over to their "enemies and exterminators" vast territories including two dozen towns with exclusively—or majority—Serb populations.

He said the plan would displace more than 400,000 Bosnian Serbs.

Karadzic said Moslem territory that now consists of several enclaves would be given a definite shape, integrity and continuity, while the Serb state would be reduced to enclaves.

The Bosnian Serb president said an acceptance of the plan would mean that the Serbs would have to renounce their sovereignty and replace their independent state with a common state together with their enemies.

"If we reject the plan we will face a continuation of the war under difficult conditions in which the Moslems will be favoured and well armed," Karadzic said.

"We have received threats of air strikes and hostile activities by the entire NATO alliance. Convincing threats have been made that they would drop bombs on us whenever they wanted. They would then expand the 'safe areas' to make it possible for the Moslems to attack us and we would have no chance of defending ourselves," he said.

"If we reject the plan, we would have to declare a state of war, introduce a war economy, organize war production and mobilize the entire people for combat and working brigades," Karadzic said.

"We would have to face air strikes, we would have to down as many planes as we could, we would have to capture the pilots of all downed planes and would have to respond with modern arms," Karadzic said.

He said the people "must be told the hard truth if we decide to defend our state and our liberty in spite of the opposition of the entire world."

"If we turn down the plan, we must accept the logic of the Serbs' enemies—who would then have to be totally defeated without mercy," said Karadzic.

"If we rejected the plan, we would have to be prepared for bloodb, sweat and tears..." he said.

Karadzic said that "in exchange for the cities and territories that we are expected to hand over to them, we are offered peace," but he said there had been no guarantees that the sanctions would be lifted "for our brothers in Yugoslavia."

"If we withdrew to the proposed lines, who would guarantee that our enemies would not use the advantage to finish us off," he asked.

"Would it be possible for us to prevent the arrival of NATO troops at the initiative of the Sarajevo government in case we accepted the proposal. Would Serbia be able to stay on its own two feet if tens of thousands of hostile troops were deployed on the Drina border in place of us," he asked.

"We will be forgiven nothing whether we accept or reject the plan. They will do what they want to do," he said.

Karadzic said the "Contact Group" that proposed the plan had not taken into consideration any of the suggestions of the Serb side.

"A United States (Contact Group) representative has publicly spoken about his role in fulfilling all Moslem wishes and reducing the Serb interests to zero," said Karadzic.

He said the Bosnian Serbs had received demands from various sides to accept the plan in order to improve their standing in subsequent direct negotiations.

Views Proposed Territorial Losses

LD1807150494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1413 GMT 18 Jul 94

[Text] Sarajevo, 18 Jul (TANJUG)—Srpska republic president Radovan Karadzic said in his introductory address to the deputies of the people's assembly of the Srpska republic that the Serbs in Bosnia are expected, "after a gory war," to give up "an enormous amount of territories to our enemies and those who want to annihilate us," as well as give up some 20 small and big towns where the Serbs used to be majority population, if not the only population, before the genocide was committed in this century.

"It is not an unimportant issue, that of where those Serbs who would have to leave these areas for good would live. We have not got an insight into the full plan of the Contact Group, but there are some indications that we would have to blend our sovereignty into some Muslim, general sovereignty," Karadzic said.

He added that the Bosnian Serbs are expected by various sides to accept the current version of the proposal and to improve their position in subsequent negotiations.

"However, we are supposed to talk not with our partners but with our enemies," Karadzic said.

Karadzic said that "the current version of the partition of former Bosnia-Herzegovina would transform continuous Serb territories into enclaves and transform the [Muslim] enclaves into a continuous Muslim territory."

Further on Karadzic Remarks

LD1907102494 Belgrade TANJUG in English 0940 GMT 19 Jul 94

["Pool" item]

[Text] Sarajevo, July 19 (TANJUG)—The Bosnian Serb parliament resumes Tuesday morning its consideration of the big powers' plan for dividing Bosnia-Herzegovina.

The session began on Monday and adjourned shortly after midnight, after six solid hours of debate on the "Contact Group" plan to give 51 percent of Bosnian territory to the Moslem-Croat federation, and 49 percent to the Bosnian Serbs.

There was no communique or statement after the session.

In his pre-vote comments, Bosnian Serb president Radovan Karadzic warned of disastrous consequences facing the Serbs should they reject the plan, but also of uncertainty entailed in accepting a plan without guarantees of peace.

He said the Contact Group (comprising Russia, the United States, Great Britain, France, and Germany) had not met any of Bosnian Serb suggestions.

"The present version of division of Bosnia-Herzegovina would make enclaves of the once compact Bosnian Serb territory, and a compact territory of the Moslem enclaves," he added.

"In exchange for the towns and territories we are supposed to cede we are being offered peace, and a phased lifting of sanctions for our brothers in Yugoslavia," he explained, noting however that the promises had been made without any guarantees.

The Contact Group's plan requires the Bosnian Serbs, who currently control 70 percent of Bosnia, to cede some 20 percent of their holdings to the Moslem-Croat federation.

Karadzic said it would be necessary to resettle more than 400,000 Serbs from the territories in question.

He also spoke of consequences facing the Bosnian Serbs if they were to reject the plan—viz. continued war, bloodshed, the possibility of NATO air strikes...

The parliament of the Moslem-Croat federation endorsed the plan here late Monday.

Srpska Republic Assembly Begins Debate on Plan

AU1807175894 Belgrade Radio Beograd Network in Serbo-Croatian 1700 GMT 18 Jul 94

[Report by Branislav Bozic from Pale]

[Text] [Studio announcer] The session of the Srpska republic assembly is currently in progress in Pale. Branislav Bozic reports:

[Bozic] After the introductory address delivered by Dr. Radovan Karadzic, the session of the Srpska republic assembly continued without the presence of reporters. The crucial sentence uttered by Dr. Karadzic is certainly the one in which he said that there are two different options that are equally dangerous, but that they are [words indistinct]. This was interpreted here as a rejection of the Contact Group maps. The president of the Srpska republic presented the possible scenarios if either 'yes' or 'no' is given as an answer.

According to him, the acceptance of the maps means the loss of a great part of the territory and agreement to the fact that the Srpska republic will consist of enclaves that are not linked and without the possibility of a continued building of the state, yet, at the same time, there are no guarantees that the sanctions will be lifted or that the Serbian people will be given the possibility of living, working, and earning.

On the other hand, rejection means the escalation of the war, a very, very difficult life for everyone, Dr. Karadzic said, and particularly stressed that there are no serious allies, in fact, on the contrary, the escalation of the war—according to him—means going to the end, until the military capitulation of one side.

Prior to Dr. Karadzic's address, Zahum-Herzegovina Bishop Atanasije Jevtic took the floor and read the message of the Holy Episcopal Congress of the Serbian Orthodox Church disclosed at the beginning of this month. The message says that the Serbian people are facing the injustice of the big ones [veliki], but that they must not falter either in courage or wisdom.

The assembly has so far received over 200 telegrams from various associations, political parties, and individuals from the Federal Republic of Yugoslavia, the Srpska republic, the republic of Serbian Krajina, and Serbs living abroad. Prevalent are those which say that the maps must not and cannot be accepted.

The prevalent feeling here is that the plan will not be unconditionally rejected, but that the completion of the plan will be demanded. According to these opinions, this complete peace package should contain constitutional arrangements, a mechanism that will guarantee the real end of the war and the implementation of lasting peace, maps, a solution to Serbian Sarajevo, the Srpska republic's access to the sea, guarantees, that is, of the lifting of the sanctions from the FRY [Federal Republic of Yugoslavia] and the entire Serbian people.

All this is just speculation for the time being. The decision is expected in the course of this dramatic night.

TANJUG Report

LD1807224194 Belgrade TANJUG in English 2129 GMT 18 Jul 94

["Pool" item]

[Text] Sarajevo, July 18 (TANJUG)—Deputies of the ruling Serbian Democratic Party (SDS) in the parliament of the Bosnian Serb republic (R.S.) debated behind closed doors on the plan of the international "contact group" for Bosnia Monday night after nearly six hours of parliamentary debate on the same subject.

The R.S. parliament was expected to take a decision on accepting or rejecting the peace offer by the "contact group" late Monday night or early on Tuesday.

Under the plan, on which the warring sides in Bosnia should have ready answers by July 19, the Moslem-Croat federation in Bosnia gets 51 percent of the territory of Bosnia-Herzegovina and the Bosnian Serb republic the remainder. A total of 70 percent of the territory of Bosnia-Herzegovina was now part of the the R.S.

In his introductory speech, R.S. President Radovan Karadzic warned of the dangerous consequences the Serbs in Bosnia would face if they rejected the plan, but also of the uncertainty awaiting them if they accepted a plan which offered no guarantees for peace.

Karadzic said that the "present version of division of territory of Bosnia-Herzegovina makes enclaves of the Serb territories from the now compact Serb territory, and a compact territory of the Moslem enclaves."

The deputies of the recently proclaimed Moslem-Croat federation and the still active parliament of the former Yugoslav Republic of Bosnia-Herzegovina, which the Serbs had left, adopted Monday night at a joint session the plan of the "contact group".

Izetbegovic Urges Congress To Accept Plan

AU1807120794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1017 GMT 18 Jul 94

[Address by President Alija Izetbegovic of the Bosnia-Herzegovina Presidency to the Bosniak Congress in Sarajevo on 18 July—live]

[Text] Dear deputies [interrupted by applause] dear deputies, you will not find much about the plan in my report. I suppose you know what it is all about. If need be, you can ask questions and someone will answer if some details are not clear.

I have dedicated my report to the attempt at answering the question today as to whether the plan—as presented by the contact group—which has been the topic of much talk, and which is more or less known to the public, whether the plan should be—not to say, accepted or rejected—but answered with a yes or a no. So I will start this relatively short report with the conclusion that the contact group's plan that has been offered to us—and on which you have to decide today—is unjust. I am telling you this in order to save both you and myself time and effort, since there have been people over the last few days who have been killing themselves in an effort to prove this obvious fact. Obvious facts need not be proven. Some do this out of conviction, a naive belief that this will help us, while others, the majority, do it in order to avoid the answer to the real and much more difficult question: What are we to do in a situation like this? Of course, it is easier, and more popular, to repeat that Zvornik is ours, that Foca is ours, that this is all unjust and a conspiracy, than to answer the question as to how we can get Zvornik, Foca, and other occupied villages and towns back.

We are in fact faced with the question: Are we going to increase our chances of having the captured land returned by saying yes to the plan on offer, or is it better—for the accomplishment of the same aim—to reject the offer without further deliberation? Therefore the things that I plan to say will not be a deliberation about justice or wrongdoing, but a very harsh presentation and a dry analysis of some facts as to what we can and cannot do. Should we take the facts as they are, the situation as it is, and the world as it is, and give a positive or a negative response? What will happen and how will things develop if we give a negative, that is, a positive response?

I ask the participants in the congress to direct their thoughts and their possible speeches to this effect. Only thus can you help and make your contribution. All other deliberations [word indistinct] the decision that we have to make would at the moment be a clear loss of time and energy. The answer [words indistinct] try to explain.

Despite all its faults, I do not think that we can reject the plan. It is unjust and bad, but all the consequences of our negative response—of which we can conceive—would be worse for our people than the plan itself. We should not reject the plan primarily because we assess that the other side will reject it. [Word indistinct] with our negative response, and gets a chance to continue the war while blaming it on us, with all the consequences that that would entail. One could justifiably say that we cannot be responsible for the war, regardless of the nature of our response. The war has been imposed on us, it is a defensive war and a just war, and we cannot possibly be blamed for such a war. This claim is absolutely correct, but at the moment [word indistinct] is not willing to listen to it and take it into account. We have been offered peace now, and all the relevant powers in the world are behind this offer, starting with the United States, Europe, and Russia. The rejection of this peace, even though it is an unjust peace, will mean to the world that we have opted for war. It is sad perhaps that the world is as it is, that is respects force more than justice, but we cannot change the world.

So it appears that the war will unfortunately continue. The only question is under what circumstances it will continue. This partly depends on us. If we opt for peace, the circumstances will change significantly to the detriment of the attacker, and we will have a realistic chance of waging this war and ending it successfully.

If we reject the plan, the world will interpret this as our decision to opt for war, which—at that moment—will again be a civil war for the world. Many important circumstances will then turn to our disadvantage, and our existing difficulties will be compounded by new, very serious ones. Our military possibilities will diminish significantly, and our chances one day to return to Zvornik and Foca will become really minimal.

Our prominent commanders are present at this session, so it will be useful to hear their assessments. Of course, there is always that other possibility, and that is that the aggressor side will also accept the plan; the cycle will then be closed. Would that be a losing combination for us? Yes, it would be a losing combination if it were to mean agreement to the partition of Bosnia. However, it does not mean that. The plan clearly and unequivocally recognizes the sovereignty and integrity of the Bosnian state in its natural and internationally recognized borders, as well as the [word indistinct] private right of property and the right of those expelled to return to their homes. Given these conditions, the injustice of the proposed solution could be avoided in time. (?Many) will comment that these are [words indistinct] but I will respond by asking whether they have anything better. At the moment, Bosnia is, in fact, partitioned, [words indistinct] demands of the aggressor to recognize this [word indistinct]. It is true that this is just form, but realistic people know just how important this form is. I would like to remind you that the Baltic people got their freedom after 50 years because they never formally recognized their countries' occupation. In the meantime, [words indistinct] proclamations on paper of the Baltic freedom fighters, yet nevertheless, 50 years later, form and papers won, supported, of course, by the persistent political struggle of those who believed in their just cause. They should have had our persistency in a similar struggle, and the (persistency) of those who lost their homes.

In the meantime, we need to pass laws to alleviate the lives of the refugees as much as possible. People cannot be refugees in their own country, and to quote an unknown author, it is not the people of Foca who lost Foca. We have all temporarily lost Foca and we need to make it up to the citizens of Foca. The refugees need to be temporarily given houses, land, and jobs, until—based on the reciprocity principle—all of them return to (?their) homes. This has to be a temporary, but lawfully regulated, state of affairs.

If peace should be achieved—and we harbor no illusion that this will be either quick or easy—it means that the aggressor will have to recognize Bosnia-Herzegovina, and withdraw from about 20 percent of the occupied territories, which include 12 cities: Bosanska Krupa, Sanski Most, Derventa, Bosanski Brod, Odzak, Bosanski Samac, Brcko, Visegrad, Doboj, Kupres, Jajce, and Donji Vakuf. Moreover, this also means that the struggle for the liberation of the remaining (occupied) territories will have to be continued with political rather than military means. This means a long, maneuvering struggle that will go on for years, even generations, but in this struggle, realistic chances are on our side. In war, the opponent's advantage is obvious. I mean the material and manpower resources. We are able to maintain the military balance owing to our people's and army's moral strength. War is primarily a physical clash, and we should not succumb or spread illusions in this case. Yet in peace, things will turn around and our advantage will be in proportion to their advantage in war. War is their chance, while peace is our chance. Therefore, will we be willing and able, and know how to use the advantages of peace? There is nothing certain or guaranteed in history, and they say that history tells the tale of unexpected things happening. Therefore, because the course of history involves an immense number of very often unforeseeable factors, our chance is precisely in the fact that we either can be, or are, one of these factors. The more active we are, our [word indistinct] will be greater.

Therefore, I would like to say that our struggle for the integration of Bosnia largely depends on ourselves, on what we ourselves are, what we want and what we can achieve; whether we are willing and capable of making a modern, democratic, and free country out of the part of Bosnia that we control; will we know how to [words indistinct] of our religion and our tradition, and will we be capable of developing Bosnia so that people can find bread and justice in it? Will its light be strong enough to illuminate the farthest corners of the country, and to dispel the darkness of chauvinism and hatred, or will we too succumb to the anxiety of chauvinism and hatred? Bosnia does not tolerate exclusiveness; just as it is—multinational and multiconfessional—it yearns for someone who does not mind this colorful makeup, and we are those who do not mind it. We do not mind either churches or cathedrals, we have learned to coexist with people who never felt [word indistinct], and we consider this to be our advantage. Therefore, we Bosniaks, the Muslim people in Bosnia, are destined to be the forerunners of a new integration of Bosnia. Bosnia will not be a unitary state, it cannot be, but it will be and remain whole. In this mission and in this attempt we shall certainly not be alone; there are, thank God, enough people who love Bosnia as much as we do; I can see some of them among us at this congress today, and I take the opportunity to greet them.

This is my answer and my advice as to what we should do. I have presented a certain number of facts, and many other facts will certainly be presented in the course of the discussion to follow. [Words indistinct] that they are stupid and stubborn. In any case, they are indifferent to what we think of them. Therefore, let us examine them [words indistinct]. Thank you.

Silajdzic Urges Support for Peace Plan

AU1807193194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1550 GMT 18 Jul 94

[Speech by Bosnia-Herzegovina Prime Minister Haris Silajdzic, addressing the Assembly of the Republic of Bosnia-Herzegovina and the Constituent Assembly of the Federation of Bosnia-Herzegovina, in Sarajevo—live]

[Text] Esteemed deputies, the deadline set by the Contact Group expires tomorrow [passage indistinct] and 3 percent of the total territory of the republic. A detailed analysis of the proposed map was made. I would like to take this opportunity to point out the following facts (?in particular):

According to the Contact Group's proposal, [words indistinct] would encompass (?25,887) square kilometers. In that area, according to the census from [words indistinct] people, and the national composition of the population was as follows: There were 1,287,516, or 51.5 percent, Bosniaks Muslims; Croats, 540,266, or 25.7 percent; Serbs, 390,838, or 15.7 percent; Yugoslavs and others about 175,000, or 7 percent. Therefore, the 49 percent of the territory that has been defined as the territory of the Federation by the peace plan would be populated by 67.7 percent of [passage indistinct].

According to the last census, 510,694 people live in that region. Of these, 255,000, or 50 percent, are the Bosniaks; [words indistinct], or 6.7 percent, Croats; 145,859, or 28.5 percent, Serbs; and about 75,000, or 14.7 percent, Yugoslavs and others.

In the region that, according to the map, is considered to be the region with the Serbian majority, according to the 1991 census, there were some 360,000 Bosniaks, or 18.9 percent of their total number in the republic, and about 86,000 Croats, or 11.3 percent of the total number of the Bosnian Croats. In addition to the basic demographic characteristics, the analysis also deals with natural resources, roads, energy facilities and potentials, and some other elements. This is essentially a quantitative analysis. The data has been presented in comparative tables, which you have, and therefore there is no reason for me to explain them here in more detail. The map is therefore the first and the most specific segment of the peace plan that has been offered.

The second part of the plan refers to the elements of the constitutional organization of Bosnia-Herzegovina. The Contact Group has informed the state delegation about the following:

First, Bosnia-Herzegovina retains the internationally recognized status [medjunarodni subjektivitet] and territorial integrity within the existing borders and indisputably continues the membership in the United Nations and the organizations within the UN system. Second, the internal organization will be changed and the unitary state will be transformed into a composite state [slozena drzava], a union made up of two entities, one of which is the Federation, and the other a unit with the Serb majority. Third, the union will have a constitution and will form central legislative, executive, and judicial organs. Fourth, the powers of the union will (?rest) in the realization of international relations and guaranteeing human rights and freedoms on the territory of the union, especially the refugees' right to return. Other powers have not been (?ruled out) or determined. This will be the subject of further elaboration of the peace plan. In the concept that was presented to us, the Contact Group did not go beyond the basic elements that I have mentioned.

The third group of the proposed solution refers to transitional arrangements, which implies the following: First, the establishment of a UN administration on the entire territory of the city of Sarajevo, except for the part with Pale commune. Second, accepting the already concluded arrangement on the European Union's administration in Mostar. Third, demilitarization is planned for Brcko and the surrounding area. The demilitarized zone would include part of the area that belongs to the Federation as well as part of the area under Serb control. In this demilitarized zone, the civilian authorities, including the police, would have those of the Federation in its part of the sector, and the Serbs in their part. However, the place where the roads cross would be under full international control so as to ensure free transit. Fourth, it was proposed that an international institution be set up, or tentatively said an administration, for free transit. This administration would control the vital road and rail links, it would ensure free transit and regulate transit at the points where the roads (?cross) [word indistinct].

...mentioned the [word indistinct] roads such as Jajce-Sanski Most and Doboj [name indistinct]. The plan will encompass all the relevant roads and railroads. The administration will have a special police that will take care of the safety of the traffic.

Finally, the fourth section of the plan refers to the measures and guarantees for the implementation of the plan, if it is accepted. The key element of this part is that the implementation of the plan will be ensured and guaranteed by the international forces, including a NATO contingent, which will include U.S. troops. The total number of the international forces has not been determined definitely, but it is thought that some 55,000 troops will be deployed. We were not given more precise information on how they are going to be deployed and used, but were told that plans on that are nearing completion in NATO.

These four parts, the maps, constitutional elements, transitional arrangements, and the implementation represent the entirety of the concept of the peace plan that was proposed by the Contact Group, which demanded that clear decisions on acceptance (?or rejection) be given to it by 19 July [words indistinct] a possibility for correction of the map is open only if there was [words indistinct] the legal organs of Bosnia-Herzegovina and the representatives of the aggressor.

In addition to the peace plan that I tried to interpret word-for- word, the Contact Group also announced stimulative measures that would induce the acceptance of the [words indistinct]. In this sense the state delegation was told: If you accept the plan, you will receive significant help for the reconstruction and renewal of the country and the return of the refugees. If you reject the plan, you can no longer count on that help.

Regarding the Serbian side, as the stimulus for accepting the plan, it is offered the lifting of the economic blockade, whereby this would be done gradually and in parallel to the implementation of the plan. If the Serbian side rejects the plan, the Contact Group plan, the Contact Group plans the following moves: First, the extension of economic sanctions and the rigorous implementation of the economic blockade; second, the effective and complete military protection of all safe and (?exclusion) zones in Bosnia-Herzegovina; third, the setting up of international control on the borders toward Serbia and Montenegro; and fourth, the lifting of the arms embargo on the legal organs of the Republic of Bosnia-Herzegovina. These measures were in fact presented in that order. It was also stated that this is probably the order [words indistinct].

Regarding the international control of the borders, it was stressed that this measure could be applied in cooperation with [word indistinct] regime. This certainly relativizes the importance and effectiveness of the this measure.

The Contact Group especially insisted on the fact that full agreement of all countries that make up the Contact Group was achieved regarding the proposed concept of the peace plan. This was also illustrated by the way the plan was announced. At the meeting with the state delegation of the Republic of Bosnia-Herzegovina, all members of the group spoke. In addition to the explanation of some parts of the plan, every participant explicitly said that his country fully supports the plan that was (?offered to us), as well as the measures that were envisaged for the sides that accept or reject the plan.

They stressed in particular that the consent was achieved at the (?political) level, that is, at the meeting of the foreign ministers of the countries that make up the Contact Group. [words indistinct] especially informed by U.S. Secretary of State Warren Christopher. Finally, the confirmation of the unified support to the peace plan was given at the Naples summit of the heads and

governments and states of the G-7, in the presence of the president of the Russian Federation, Yeltsin.

The unity that was achieved regarding the concept of the peace plan is taken to be an important factor of the guarantee that the plan, if accepted, will effectively be realized, and that the announced punitive measures will indeed be taken against the side that rejects it.

Esteemed deputies, it is clear, even at first sight, that the plan prepared by the Contact Group has its defects and shortcomings, as well as good [word indistinct].

When it comes to the weaknesses, then the remark that the principle [words indistinct] was deviated from partially carries particular weight. Thirteen cities and communes [words indistinct] with relative Bosniak or Bosniak-Croat majorities will remain under the control of the aggressor, who, in these cities, committed genocide and crimes of unprecedented dimensions. It remains, however, that some of the crucial European countries have their specific interests and calculations in this Balkan crisis for which they are ready to deviate from principles, even those on which modern civilization and the international order are based. This is a reality that inspires bitterness, but, unfortunately, small countries like ours cannot essentially influence changes in such relations. The objective approach, however, calls for the examination of the [word indistinct] positive elements [words indistinct]. This pertains primarily to the [word indistinct] principle of the plan, the principle of maintaining the international [word indistinct] and territorial integrity of Bosnia-Herzegovina within the existing borders. Therefore, [words indistinct] by accepting and confirming this principle, the peace plan [words indistinct] exclusively the internal restructuring of the state. This, to a great extent, relativizes the negative effects of the proposed territorial solutions. The survival of Bosnia-Herzegovina as an internationally recognized state within the existing borders is the main reason why I believe that this plan should be accepted. At the same time, this is the main reason why the aggressor's representatives are—judging by everything—rejecting the plan, although they primarily [words indistinct]. [Words indistinct] dissatisfaction with the territorial solution is the true reason for the rejection, and the breakdown of their thesis of a former Bosnia-Herzegovina [words indistinct] and the project of Greater Serbia. It is clear that with an internationally recognized Bosnia-Herzegovina there can be no Greater Serbia. Therefore, we insisted [word indistinct] and the international community has confirmed its choice of a Bosnia-Herzegovina recognized within the borders [words indistinct] therefore, for the territorial integrity, sovereignty, and international [words indistinct] membership in the United Nations. Any kind of [words indistinct] in the plan—we have told the international community this—would constitute the rejection of this plan. Any kind of territorial partition, that is, upsetting of the territorial integrity [passage indistinct] and to create conditions for normal life in these regions, without suffering, killing, and destruction. If the peace plan opens such a perspective, then we should give a positive answer to this offer, even more so because acceptance will be stimulated with significant aid for the reconstruction [of the country] and the securing of the return of refugees. Another important reason why the peace plan deserves support is NATO's readiness—particularly that of the United States—to participate and guarantee the plan's implementation. Although experience warns us to be careful, we nevertheless have to accept the fact that among the mentioned international factors there is no stronger or more trustworthy a guarantor in the international community. We also need to keep in mind that we have carried out numerous consultations in high places, with friendly and [word indistinct] countries, [words indistinct]. The leaders of these countries—prominent statesmen—have advised us to accept the proposed peace project.

Finally, if the aggressor side rejects the offered plan, this will, of course, mean the continuation of the war. Counting on the readiness of the international community to apply the predetermined measures against those who do not accept the plan, by accepting the plan we will secure a better position, if the aggression continues.

I would like to mention another detail that is not insignificant. We openly asked the representatives of the Contact Group whether the acceptance of the plan means amnesty for war crimes. We were given an explicit answer that the peace plan in no way suspends the responsibility for crimes punishable according to international law, and that the international tribunal for war crimes will continue its work regardless of the outcome of the peace initiative. Taking into account all the reasons, I propose that this parliament, acting as the Assembly of the Republic of Bosnia-Herzegovina and the Constituent Assembly of the Federation, accept the peace plan prepared and offered by the Contact Group. I also propose that it does not make the validity of our decision on the acceptance of the plan dependent on any other demands, except the demand that the aggressor side accept the proposed plan in the same way, that is, unconditionally. If it does not, we insist that all measures envisaged by the Contact Group in case the plan is rejected be applied against the aggressor side without delay.

Esteemed deputies, let the assembly discuss and accept this proposal and at the same time determine the stands that will represent the framework for further activities of the state delegation at the peace negotiations. Thank you. [applause]

Zubak Urges 'Rational' Decision on Peace Plan

AU1807193994 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1613 GMT 18 Jul 94

[Address by President of the Bosnia-Herzegovina Federation Kresimir Zubak at the joint session of the Assembly of the Republic of Bosnia-Herzegovina and

the Bosnia-Herzegovina Federation Constituent Assembly in Sarajevo—live]

[Text] Ladies and gentlemen, deputies, esteemed Presidency, Mr. Silajdzic, as the prime minister, has informed you thoroughly about the talks and negotiations that we held in Geneva with the representatives of the countries that comprise the contact group, which the international community has assigned the task of finding a peace plan for solving the crisis in Bosnia-Herzegovina. I do not wish to address this issue, because he [Silajdzic] did it thoroughly and in detail; he presented his opinion and suggested that you accept this plan. I find it necessary to also address this issue, that is, to take the floor, present my opinion, and—like Silajdzic—to urge you to accept the part of the peace plan on offer.

Today, we are again in the position, situation, and we have the obligation—as representatives and protectors of the will and interests of our peoples and citizens—to make decisions that are of crucial significance for us, for our peoples, and for Bosnia- Herzegovina; therefore, [words indistinct] historically burdened. We are at war, and many say that in war the state of the spirit is such that we make emotional rather than rational decisions. I would suggest that today, when deciding on this part of the peace agreement and analyzing our internal circumstances and our options, and also the international circumstances, we deliberate as rationally as possible, therefore, that emotions will not dictate your final decision.

Many great statesmen and politicians are today (?silent) and [word indistinct], yet only yesterday they were creating the plan for Bosnia-Herzegovina, but they say that this is the last chance for peace in Bosnia-Herzegovina. I do not know whether this is so, and I am afraid to say that this is so, but I do know that today we must make an extremely difficult decision that is of crucial importance for our people and that can essentially influence the course of the future development of the situation and circumstances in Bosnia-Herzegovina.

Why is the nature of what we are discussing today such as it is? Today, we are discussing, that is, deciding on the part of the peace plan on which the world superpowers, the member group assigned to create the peace plan, have, to a great extent, that is, completely, coordinated their stances. Therefore, this is the first peace plan on which the superpowers have finally coordinated their stances on Bosnia-Herzegovina. The superpowers, that is, the members of the contact group, include those countries that have, so far, shown that they are for a just solution to the Bosnia-Herzegovina crisis, that have traditionally been our peoples' friends. That is why we must believe them that the solution on offer in this historical moment is such that it corresponds to the interests [passage indistinct].

We have discussed this earlier, [words indistinct] ethnic cleansing, that is, it does not recognize the principle agreed upon earlier, that the territorial reorganization will be based on data from the 1991 census. However, not a single solution—and particularly a solution that involves several sides in the conflict and in a region in which a number of world superpowers have their interests—could not be such that it satisfies the interests of all those involved in this situation and in the circumstances such as they are.

However, we need to ask what is the alternative? The alternative is war, and we are [changes thought], our two peoples have always claimed that we favor a political solution to the crisis, that we are politically [words indistinct] that the situation in Bosnia- Herzegovina is solved through political means. We need to remain consistent today, and we must again opt for a political means of solving the crisis. Finally, independently of [words indistinct] it is certain that, if we today said that we do not accept this plan, this would mean that we wanted war. What is not certain is how this war would end, nor is it certain that we could, at least in the foreseeable future, (?achieve) the results that we want. Therefore, for these reasons, we must, in my view, say "yes."

On the other hand, if the other side—and it is likely since information to this effect is already coming in—says "no," then we will, again, gain not only moral and political, but also other support for realizing our rights and aims [words indistinct] but which we must apply as necessary for protecting our interests and realizing our rights.

We are today actually deciding on a part of the peace agreement, we are today discussing and deciding on the territorial reorganization of Bosnia-Herzegovina. We have been given only the fundamental [word indistinct] of the documents that we shall adopt subsequently and that address the constitutional organization of Bosnia-Herzegovina, that part of the documents that speaks about the sanctions, measures, and guarantees for implementing the plan. That is perhaps why this today is a foray into uncertainty, because we do not know what the peace agreement will consist of in its entirety. That is why this is a foray into uncertainty, yet despite this, I suggest what Prime Minister Silajdzic suggested, that we accept the plan and once more [words indistinct] trust in those who have been with us so far, and who claim that they will find ways, means, and methods for convincing the opposite side that this is the solution that needs to be accepted.

Even if we were to make a mistake today, I am sure that history, positive history, will show that given the circumstances we are in today, this decision—if it is positive and I think that it will be—was the only right and wise one. That is why I suggest to you that you (?accept the peace plan).

Bosnian Assembly Endorses Peace Plan

LD1807201694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 18 Jul 94

[Text] Deputies have voted to accept the plan proposed by the peace group, the international contact group. They have accepted the plan while 17 deputies voted against and two abstained. [passage indistinct]

Further on Acceptance of Plan

AU1807182894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 18 Jul 94

[Excerpt] The Bosniak Congress held a session in Sarajevo today. The session was attended by [word indistinct] prominent politicians and cultural, public, and social workers, as well as religious and military representatives from the ranks of the [word indistinct] people. As stated at a news conference afterward, the Bosniak Congress has adopted the peace plan proposed by the international contact group. At the news conference that was held after the congress' session, it was stated that 303 members of the congress voted for the plan and 46 against. There were (?five) invalid ballots. Jasmina (?Dukic) has the details:

[?Dukic] The news conference was held by Alija Isakovic, president of the Initiative Committee of the Bosniak Congress, and members, [names indistinct].

Mr. Isakovic briefed the journalists on the results of the secret ballot by members of the congress on the peace plan proposed by the contact group. Of 355 members who voted, 303, or 85 percent, voted in favor of the plan, while 45, or 13 percent, were against. (?Five) ballots were invalid.

The members of the congress also adopted conclusions, which, as Isakovic said, represent, (?specific) stands of the congress. He said:

[Begin Isakovic recording] Although unjust for the Bosniaks, the plan of the contact group can be a basis for establishing peace and reintegration of the Republic of Bosnia-Herzegovina. Two, the Bosniak Congress [words indistinct] not only proclaims the right of all the refugees and expelled and displaced persons to return to their homes, but also offers firm and sure international guarantees [words indistinct] for the return. [word indistinct] full and continual protection of human rights and freedoms, especially the return of the appropriated property, that is, compensation for it. [word indistinct] just punishment of the inspirers and the executors of the crime of genocide and other crimes against the Bosniaks. And three, the Bosniak Congress demands an all-round settlement of the issue of the Bosniaks' status, including the settlement of the position of the Bosniaks in Sandzak and all regions of the former Yugoslavia. [end recording] [passage omitted]

Plan 'Overwhelmingly' Ratified

AU1807162894 Paris AFP in English 1513 GMT 18 Jul 94

[Excerpts] Sarajevo, July 18 (AFP)—The Moslem assembly overwhelmingly voted for peace here Monday [18 July], setting the scene for similar ratification of the Geneva plan by the Moslem-Croat parliament later in the day.

The Moslem assembly, meeting at a Sarajevo hotel, voted by 303 to 46 in favour of the international plan which calls for partition of the country between the Bosnian Serbs and the Moslem-Croat federation, it was officially announced.

Six more ballots were declared void.

The assembly is a consultative body, but it regroups all the Moslem members of parliament who are to vote in parliament.

Croat members of parliament decided on Saturday to ratify the plan. [passage omitted]

The Moslem assembly, which includes Moslem parliamentary deputies, along with other officials, clerics and intellectuals, will add moral weight to the final parliamentary decision. But the assembly's decisions are not binding.

Republic, Federation Assembly Session Delayed

AU1807160694 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1500 GMT 18 Jul 94

[Report by Mladen Bosnjak]

[Text] Good day, esteemed listeners. The session of the Assembly of the Republic and the Federation of Bosnia-Herzegovina has not started yet. The delay is caused by the prolonged duration of the Bosniak Congress' session.

At today's session the deputies will discuss the contact group's peace plan with a proposal for territorial delineation. This will be the only point on the agenda. As announced, the introductory speech will be made by Prime Minister Haris Silajdzic.

A session of the Assembly of the Republic of Bosnia-Herzegovina will be held after the session of the Assembly of the Republic and the Constituent Assembly of the Federation of Bosnia-Herzegovina. At that session the deputies will discuss several bills and decisions. The agenda, which has eight points, includes the draft bill on association of citizens and draft bills on state property and enterprises.

This is all for now. We will [word indistinct] shortly before the session begins.

Muslims Violate Cease-Fire in Sarajevo Area

LD1907092694 Belgrade TANJUG Domestic Service in Serbo-Croatian 0843 GMT 19 Jul 94

[Text] Sarajevo, 19 July (TANJUG)—Actions by the Muslim forces, which can be described as more than merely provocative, were again registered at the Sarajevo front last night.

The Muslims drastically violated the cease-fire in the area of the water reservoir at Rajlovac, on which they opened heavy fire from automatic guns, snipers, and grenade launchers at 1930 last night. Two Serb soldiers were killed in these sudden operations.

Tension is also increasing on other parts of the Sarajevo front. There has been sporadic shooting on almost all lines of the Ilidza defense, in the Serb municipality of Novo Sarajevo, and in Ilijas.

Muslims Intensify Attacks in Northern Bosnia

LD1807222194 Belgrade TANJUG in English 2213 GMT 18 Jul 94

["Pool" item]

[Text] Doboj, July 18 (TANJUG)—Moslem forces on Monday intensified attacks on Serb positions and civilian targets in northern Bosnia-Herzegovina, Bosnian Serb army command in Doboj said.

Moslem forces launched three heavy infantry attacks backed by artillery fire on the southern slope of Mt. Ozren in an effort to break through Serb defence lines, the command said.

The attacks were repulsed and the Moslem forces, reinforced by units from Lukavac and Tuzla in northeastern Bosnia, had to withdraw.

On the Teslic front, Moslems opened fire from mortars and howitzers on Serb positions and civilian targets in Vidovici and Premet.

Moslem forces also intensified fire from small arms, grenade launchers and anti-aircraft guns on Serb positions east and northeast of Doboj.

In southeastern Bosnia, the Serb army on Monday prevented infiltration of a Moslem terrorist group into the Serb territory near the village of Kolovarice between Gorazde and Srbinje (formerly Foca), the Serb army command in Bileca said.

It said major movement of Moslem units had been observed on all fronts in southeastern Bosnia-Herzegovina, but especially around Mostar and north of Konjic and Gorazde.

UN Condemns 'Wave of Ethnic Cleansing' by Serbs

AU1807165394 Paris AFP in English 1607 GMT 18 Jul 94

[Text] Geneva, July 18 (AFP)—The UNHCR [UN High Commissioner for Refugees] attacked Monday [18 July] a new wave of ethnic cleansing committed by Bosnian Serb forces against Moslem civilians in the areas around Bijelina and Janja in northern Bosnia.

According to Ron Redmond, a spokesman for the UN High Commissioner for Refugees, 135 Moslem civilians—women, children and elderly—were expelled Friday from the two areas after being forced to sign over their possessions to Serb forces.

Serb troops Saturday led them to the front line near Satorovici and forced them to cross over to the Moslem side after confiscating their valuables, Redmond added.

"They were pushed across the front lines with the Serbs firing over their heads to make them run faster" said Redmond.

The UNHCR had sent a formal protest note to the Serb authorities over the ethnic cleansing, he added.

Redmond said that the previous week inhabitants in the village of Bijelina had telephoned relatives in the United States to say that between 200 and 300 Moslem conscripts were being held in Serb prison camps.

Before the conflict in Bosnia-Herzegovina began around 96,000 of Bijelina's inhabitants were Moslems.

The Serbs have since organised two major waves of ethnic cleansing in the area, in September 1993 and January 1994, and the town's Moslem population is now estimated at between 7,000 and 8,000.

Turkish President Demirel Begins Official Visit

LD1507144894 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 15 Jul 94

[Excerpt] Turkish President Suleyman Demirel arrived at Split airport around 1400, after a visit to Turkish UNPROFOR [UN Protection Forces] units in Zenica. He then left on a special flight to Zagreb, where he will meet and hold talks with Croatian President Franjo Tudjman.

Turkish President Demirel arrived in Croatia at the invitation of Croatian President Tudjman. I am happy to visit Croatia, so that we can develop our relations and attain peace in this part of the world, he said. We will discuss all aspects during our talks, since a just peace is in everyone's interest. The Republic of Croatia has already demonstrated it's support in achieving a peaceful solution, and we believe that by signing an agreement on cooperation between Croatia and Turkey we will improve overall economic, cultural, and political relations, which will not just be in the interest of one or the other state. The emphasis is on peace, friendship, and the highest level of cooperation, Demirel said in conclusion. [passage omitted]

Tudjman Meets Demirel

LD1507174494 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 15 Jul 94

[Text] Croatian President Franjo Tudjman this evening met with Turkish President Suleyman Demirel who is heading a Turkish delegation on an official visit to Croatia. Tihomir Vinkovic has the report.

[Vinkovic] Apart from President Tudjman, this evening's talks were also attended by Foreign Minister Mate Granic; Janko Bobetko, chief of general staff of the Croatian Army; and various ministers.

The Turkish delegation also includes Foreign Minister Hikmet Cetin and Dogan Gures, chief of general staff of the Turkish Army.

The two states have been developing friendly relations since Croatia declared its independence. Turkey's peace-loving role has been corroborated by the arrival of Turkish UN troops in Bosnia-Herzegovina.

Tudjman, Demirel Speak

LD1607104794 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 16 Jul 94

[Speeches by Croatian President Franjo Tudjman, Turkish President Suleyman Demirel, and Turkish Foreign Minister Hikmet Cetin on the occasion of the signing of a friendship treaty and the bestowal of decorations on Demirel and Cetin at the Presidential Palace in Zagreb—live relay; Demirel and Cetin speak in English with passage-by-passage translation into Serbo-Croatian]

[Excerpts] [Tudjman] Esteemed President Demirel, having signed this agreement on friendship and cooperation, we have taken another important step in bringing our two countries closer and establishing friendship and cooperation between them. On this occasion it is my particular honor and pleasure to be able to confer on you the top Croatian decoration, the Order of King Tomislav, for your extraordinary merit for the development of friendship between our two states. [passage omitted]

This decoration which Croatia is conferring on you also represents an acknowledgement of your exceptional contribution in the development of broader international relations in the resolution of the crisis in the former Yugoslavia, particularly in Bosnia- Herzegovina.

Your personal efforts, and the efforts made by your government, helped a lot in the establishment of better friendly relations between the Bosniak-Muslim and the Croat nations in Bosnia-Herzegovina. They also provided a major contribution to the policy that was crowned by the signing of the Washington agreement on the establishment of the Bosniak-Muslim and Croat federation in Bosnia-erzegovina and the confederation of Bosnia-Herzegovina and Croatia. At the same time this is a contribution to the creation of preconditions for the new international order in this part of Europe, in which history has attributed a cardinal role to the Republic of Turkey and the Republic of Croatia. [passage omitted]

Allow me dear friend to confer on you this highest Croatian decoration. [applause]

[Demirel] We have an agreement for friendship and cooperation signed this morning. The relations between our two countries are going to be much, much better, and then there will be a great future for them. We attach great importance to your beautiful country and to your state. We also always advocate the independence and the integrity of the territory of Croatia. We then believe that within a very short time Croatia will be well-developed and will be a strong unit, a strong member of the international community, and will develop, on the basis of democracy, human rights and the market economy. Then reshaping Europe, reshaping the Balkans, Croatia will have a much better role.

Turkey has the goodwill, it has the willpower to continue in the future as we did in the last few years, to develop our relations more and more to the benefit of our people, people of both countries, as we do believe that our relations with Croatia are very important for peace in the Balkans, and are also very important for the reshaping of Europe on the basis of the peace and welfare of the people, I am sure that peace in the Balkans will come sooner or later—the sooner the better. That is what we are endeavoring.

In Bosnia-Herzegovina, I think what has been done (is a shame). The bloodshed should be stopped much earlier. But I think that the international community started to

realize what was happening in the former Yugoslavia and also what is going to happen.

We do hope that the international community will continue to keep an eye on, and an interest in this part of the world, to see that this peace is really secured and then continues.

President Tudjman, I congratulate you for what you have done personally, and the State of Croatia, the Government of Croatia. I think it was a great success to put together the Muslims and Croatians in Bosnia-Herzegovina, then they stopped fighting each other and they came together. I think it is a good example, that people can live together having different religions, and different ethnicities, and I think everyone should be following that.

If we are working for peace, we are after peace, and I think we should find some other measures than ethnicity and religion. [sentence as heard] I think that is democracy and human rights, and then equal opportunities, and the willpower to live together, work together. I think that is the basis of the federation of the Croatians and Bosniaks in Bosnia-Herzegovina. We all hope that this will continue and that understanding will continue. You have done a lot for that, I know of your efforts. As the Turkish Government, the state of Turkey, the Turkish Parliament, and the people of Turkey, we support the Washington agreement, and I think that everything will go fine, that is our hope at least, and as we discussed yesterday, we are all after a lasting and fair peace in the Balkans, and we hope that all the problems of Croatia will be settled, and then we will always support the independence and integrity of Croatia.

I am very happy to have this decoration, and it is very kind of you, and I think it is a very good sign of what we are going to achieve together. This decoration will be kept in my memory, and I think this is going to further serve to develop our relations, and I wish you and the Croatian people all success. Thank you. [passage omitted]

[Tudjman] Dear friend, please allow me to confer this high decoration on your foreign minister, Mr. Hikmet Cetin.

Esteemed Minister Cetin, this is also an opportunity for Croatia to pay recognition to you, and it is my particular pleasure that I can personally confer this high decoration—the Order of Prince Trpimir.

You, as the head of Turkish diplomacy, were right from day one of the establishment of the democratic Croatia, the person who has shown readiness for cooperation and for supporting Croatian interests; you have made particular efforts in the resolution of this very painful and highly important issue for all of us—the resolution of the crisis in Bosnia-Herzegovina. You have therefore been in the forefront of seeking cooperation, not only between Croatia and Turkey but also within the international arena, from Europe to the United States and the United Nations. You have been the person who made a contribution to the implementation of this policy about which the Turkish president spoke, which is in the interests not only of our two countries, but also for the establishment of peace in this part of the world. [passage omitted]

[Cetin] Mr. President, it is a great privilege for me to receive this very important decoration. I do think that the Balkans needs peace and stability. From our side, we do contribute, and we will continue to contribute to peace and stability in this part of the world. We think that the people of this region, the countries of this region need peace. Turkey and Croatia can play a very important role and we will continue to support peace and stability. Thank you very much. [passage omitted]

Tudjman Meets With UN Special Envoy Akashi

LD1907103794 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 19 Jul 94

[Text] Croatian President Franjo Tudjman today is holding talks on the island of Brioni with Yasushi Akashi, special envoy of the UN secretary general. Gojko Susak, the Croatian defense minister; Hrvoje Sarinic, the head of the Office for National Security; and Miomir Zuzul, the Croatian ambassador to the UN mission in Geneva, are attending the talks.

General Bertrand de Lapresle, UNPROFOR [UN Protection Force] commander for the former Yugoslavia, is also present at the talks with Yasushi Akashi. It is assumed that they are discussing the Contact Group's peace plan for Bosnia-Herzegovina and the situation in the UNPA's [UN Protected Areas] in Croatia.

Akashi on 'Useful' Talks

LD1907140594 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 19 Jul 94

[Report by Silvan Fable]

[Excerpt] According to Yasushi Akashi, the talks, during which President Tudjman expressed concern over the current operations of the peacekeeping forces in our country, were very useful.

Akashi described the talks as more than fruitful. In a few days he is to make a special statement based on the talks, in which he will stress the efforts made toward rendering UNPROFOR [UN Protection Forces] operations as efficient as possible. His statement will also specially define his view of the problem of refugees and displaced people in Croatia.

Hrvoje Sarinic, the head of the office for national security, told journalists after the talks that President Tudjman has asked UNPROFOR to clearly define their mandate. The extension of the mandate was not discussed and the Serbs in the occupied areas of Croatia were barely mentioned. It was said that UNPROFOR must become more involved in negotiations between the

Croatian authorities and local Serbs, but primarily in resolving problems using political and economic means. [passage omitted]

Opposition Demands UN Resolutions Fulfillment

AU1507170794 Zagreb VECERNJI LIST in Serbo-Croatian 15 Jul 94 p 5

[Statement issued by opposition parties and independent deputies in the Assembly of the Republic of Croatia; place and date not given: "UNPROFOR Must Be Deployed on Croatian Borders"]

[Text] We share the dissatisfaction of the Croatian public, and especially that of the refugees, with the inefficiency of UNPROFOR [UN Protection Forces], because UNPROFOR is not implementing the Security Council's resolutions, creating conditions for the refugees' return, or protecting facilities vital to the citizens of Croatia (the water and electricity networks, etc.)

We recall that in the past year the opposition has proposed several times that the Assembly hold a special discussion on UNPROFOR and propose a draft resolution with the appropriate measures, but the HDZ [Croatian Democratic Community] has persistently rejected this.

We warn that the Assembly of the Republic of Croatia has never been asked for, nor has it given approval for the deployment and mandate of UNPROFOR, and that the signed documents have never been presented to the Assembly or the public for examination.

We propose that the Assembly of the Republic of Croatia set up a board of inquiry to investigate all facts on the arrival of UNPROFOR and its current mission, and to establish the responsibility of all those who took part in the process of negotiating the ineffective UNPROFOR mandate, especially those who made decisions outside the Assembly of the Republic of Croatia on the suspension of the constitutional system of the Republic of Croatia in the occupied territories.

We demand from the relevant institutions of the international community to implement the UN Security Council resolutions on the monitoring and protection of the borders of the Republic of Croatia with Serbia and Bosnia-Herzegovina, that the Security Council resolutions on "pink zones" be immediately implemented, that the ban on the import of arms needed for the defense of the integrity of the Republic of Croatia be lifted, and that the current imbalance in arms that gives the advantage to the Serbs be removed through both disarming Serbia and strengthening defense capabilities of other states threatened by it.

We do not consider President Tudjman's policy on Serbia and its President Milosevic to be good for the state interests of the Republic of Croatia, especially the Geneva declaration of January 1994 and its effects.

We demand that all political talks with representatives of Serbia and so-called Yugoslavia be broken off until Serbia and Montenegro recognize the Republic of Croatia within its internationally recognized borders and until Serbian rebels accept the principle of settling their political demands within the Republic of Croatia. We also demand that the Croatian representative be withdrawn from Belgrade and the hospitality to the representative of the so-called FRY be retracted in Zagreb.

We hold the view that the acceptance of the peace plan for Bosnia-Herzegovina should be made dependent on the peaceful reintegration of the occupied territories in the state-legal system of the Republic of Croatia.

We demand that the Government of the Republic of Croatia prepare and propose a state program on the exercise of the right to return and help to the refugees and victims of the war.

We propose that the Assembly adopt a resolution on UNPROFOR's mandate in the occupied territories on the basis of the proposals drafted by the deputies of the HSLS [Croatian Social Liberal Party], HND [Croatian Independent Democrats], HSS [Croatian Peasants Party], HNS [Croatian National Party], SDP [Social Democratic Party], IDS [Istrian Democratic Congress], DA [Dalmatian Action], and independent deputies in the Chamber of Representatives and the Chamber of Counties of the Assembly of the Republic of Croatia.

Refugees, Polish UN Forces Clash at Barricade

LD1507153894 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 15 Jul 94

[Report by Trajko Brkovski]

[Text] A serious incident, caused by high-ranking officers and soldiers of a Polish UNPROFOR [UN Protection Forces] battalion, Sector North, took place at an UNPROFOR checkpoint at Turanj, on the Plitvice road.

All was peaceful at the UNPROFOR checkpoint at Turanj until 0900, when a column of about 20 UN vehicles appeared at the Korana bridge on the Plitvice road, carrying some 50 armed members of the peacekeeping forces and about 10 high-ranking officers of a Polish UN battalion and the UN civilian police, led by (Adam Kun), head of the UN police station in Tusilovici.

When a Red Cross vehicle from Velika Kladusa, carrying wounded to the Karlovac hospital of Svarca—where they are regularly transported—approached the blockaded checkpoint, the high-ranking officers in their vehicles tried to break through the wall of refugees, mainly women and elderly persons. Since their way was blocked, the highly irritated officers of the Polish battalion attacked the refugees, even drawing their pistols. All this was monitored by your reporter and his camera, which

was then thrown on the floor by one of the Polish officers. Members of Karlovac police intervened.

At about 1100, the column of UN vehicles returned to occupied Tusilovici, having failed to break through the blockade. We subsequently learned that there is growing irritation among members of the peacekeeping forces, also due to the fact that several hundred of them were waiting at the Karlovac railway station in an attempt to reach Slunj where a regular changeover of the peacekeeping forces is due.

In addition to all this, the blue helmets are also talking about the shortage of gasoline in occupied Kordun and also that they are completely blockaded now that refugees have blocked the checkpoint at Sainerica near Otocac. While we are reporting this, the situation is peaceful at the blockaded UNPROFOR checkpoint at Turanj, and refugees are still there without causing any incidents.

Officer 'Threatened' Refugees

AU1507162994 Zagreb HINA in English 1501 GMT 15 Jul 94

[Text] Karlovac, 15 Jul—An incident occurred this morning at the UN Protection Force (UNPROFOR) checkpoint at the Karlovac section of Mostanje (some 50 km south of the Croatian capital), where displaced persons have been impeding the passage of UNPROFOR for 15 days. This morning UNPROFOR members tried to push their way through the blockade when the displaced people let a vehicle of the Red Cross transporting the wounded from Velika Kladusa (stronghold of Fikret Abdic in] western Bosnia) to the Karlovac hospital, pass the checkpoint. The displaced persons formed a human shield to prevent a passage of trucks, and the Polish UNPROFOR battalion soldiers attacked the refugees and physically assaulted the demonstrators. The Polish officers took the initiative in the fights. One of them drew a pistol out, threatened against displaced persons shouting that demonstrations must be over. In the incident a journalist of the Zagreb-based VJESNIK, Trajko Grkovski, was also attacked, and UNPROFOR members took away a camera from him, and destroyed it. The situation calmed down at about 11:00 a.m., and the UNPROFOR vehicles returned to the places from which they had commenced trips.

West Bosnia Wants 'Special Status' for Cazin

AU1507145694 Zagreb HINA in English 1415 GMT 15 Jul 94

[Text] Zagreb, 15 Jul—Representatives of West Bosnia (of Cazin and Velika Kladusa Province), controlled by the forces loyal to the local potentate Fikret Abdic, said today that they supported a peace plan, drawn up by the five-power "contact group" for the conflict in Bosnia-Herzegovina, and stressed that they expected a special status for the aforementioned area of western Bosnia within the Bosniak-Croat Federation. Owing to the special territorial and political position "we request gaining the maximum levels of economic and political freedom, which will not put in question the existence of the Federation of Bosnia-Herzegovina, and the absolute freedom in decisions on war and peace," an aide to Mr. Abdic, Bozidar Sicel, said at today's news conference in the Croatian capital of Zagreb. Commenting on the clashes between forces loyal to Abdic and the Bosnian Army 5th Corps, Sicel claimed that there was no possibility of a military defeat for Abdic's troops. He also said that the escalation of the conflict in western Bosnia had occurred at the end of last March.

UNPROFOR Not Paying Airport Charges

AU1407160894 Skopje VECER in Macedonian 14 Jul 94 p 1

[Unattributed commentary: "Grounding of UNPROFOR"]

[Text] If we bear in mind the practice used in the air traffic industry in our country—that is the measure of "grounding" airline companies if they do not pay "expenses"—we can soon expect UNPROFOR [UN Protection Forces] aircraft to be grounded in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. The debts of the "peacekeeping forces" for using Skopje Airport services have amounted to over 1 million German marks. The UNPROFOR has been using these services from the airport company since its arrival in our country, and none of them have been paid yet.

"Galaxy" and "Hercules" aircraft, as well as some other planes landing at our airport, are not subject to payments that normally add to the state revenue. This is according to a government decision on administering charges to airline companies for take-offs, landings, and flight control. On the other hand, there is no regulation which says that UNPROFOR planes are exempt from charges for airport handling services, which form the basic revenue of the airport company. The UNPROFOR representatives refuse to pay because according to them "we have been invited to come here," and because, allegedly, they are not using any airport services. Nevertheless, they seem to be forgetting that their aircraft need landing lights, that fire-fighting units and anti-terrorist teams are on call, if necessary there are also additional shifts at the airport (because they usually land after the airport has been closed), and so on. All these services have to be paid according to international standards applied to all air companies, depending on the weight of the planes. UNPROFOR also seems to be forgetting that it is paying other states for these services, for instance Slovenia, Croatia, or the Federal Republic of Yugoslavia (places where they also pay for take-offs and landings), and in these countries their charges for services are regularly paid.

Language Discussed With Bulgarian Delegation

AU1807163894 Skopje MILS-NEWS in English 18 Jul 94

[Unattributed report: "Language Dispute Resolved?"]

[Text] At the summit of the 13 prime ministers of countries of the Central European Initiative held in Trieste, Italy the Macedonian delegation, led by Prime Minister Branko Crvenkovski, met with representatives of the Bulgarian delegation. They discussed bilateral issues, including the problem with recognition of the Macedonia language. As for this issue, Bulgarian officials pointed out it was a problem only for a part of politicians in Bulgaria, which even led to a "political incident" between the two countries. The Macedonian side explained all countries that have recognized Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] have also recognized its language, and there was no reason for Bulgaria not to do the same. The Macedonian side seems to have been given assurances there would be no "language barriers" in the official contacts between the two countries. They also discussed the need of urgent realization of the Drac-Skopje-Sofia-Istanbul project.

The Macedonian prime minister also met and talked with his Slovenian counterpart Janez Drnovsek, as well as with the European Bank for Reconstruction and Development's vice-president, Miklos Nemet.

The political resolution adopted at the summit greet the international community's efforts to avoid possible conflicts between Serbian and Macedonia, condemning Greece's one-sided embargo against Macedonia. The economic resolution, on the other hand, stated special support for the following projects: East-West, Trieste-Budapest-Kiev, and Baltic-Gdansk-Adriatic Sea.

Oil Imports Increase; Secure Reserves Expected

AU1807163794 Skopje MILS-NEWS in English 18 Jul 94

[Text] The number of vehicles carrying oil derivatives to Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] has recently increased at the Macedonia-Bulgarian border crossing of Deve-Bair. On average, 30 to 40 oil-carrying vehicles, transporting 500 to 600 tons of oil, enter Macedonia on daily a basis.

Should this dynamic continue, oil will be distributed normally throughout Macedonia and reserves will be secured for the winter period, when the need for oil will increase.

Implications of Deadlock Over Electoral Law

94P20988A Skopje NOVA MAKEDONIJA in Macedonian 8 Jul 94 p 4

[Article by L. Kitanovska: "The Time Limit for Adopting a New Law for Electing Representatives Is Passing: The Elections Cannot Be Postponed"]

[Text] *Of the package of electoral laws, only the one concerned with the president has been adopted. There is no objection to the presidential election taking place according to the new law, but the "old" law concerning the election of representatives will also be used for the second multiparty election. If things remain as they are, complications in the next election are unavoidable.*

The Law on the Election of Representatives in the Assembly of the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], the Law on the Election of the President of the Republic of Macedonia, and the Law on Political Parties will be adopted at least three months before the holding of new elections. So reads the law enacting the Constitution. This requirement has only been fulfilled in the case of

the Law on the Election of the President since it is the only one that has been adopted. Because of this fact, there is great speculation whether new elections will take place in November. That is, namely, the period reiterated in the Constitution: Article 63 states that an election for the representatives in the assembly will be held during the last 90 days of the term of the existing assembly, or during a 60-day period immediately following dissolution of the assembly. If the term of the representatives is considered to be the constituent meeting of the assembly on 8 January 1991, the assembly's term will expire on 8 January 1995. If the laws intended to govern the second multiparty election should have been passed three months prior to the election, then today is the last day on which it would be possible to adopt them. If the calendar is strictly observed, this deadline could be still be extended until Tuesday [12 July].

In view of the fact that the assembly has persistently been unable to hold a session because of a boycott by the PDP-NDP [Party for Democratic Prosperity-People's Democratic Party] parliamentary party group, as well as the attitude of the opposition coalition to the assembling of a quorum in the parliament, the chances that the autumn elections will be held according to new electoral laws are almost nil. That is, of course, with the exception of the election of the president. However, except for their "thematic" connection, these laws function independently of one another. For example, the Law on the Election of the President was adopted and entered into force, but the failure to adopt the other laws from the electoral package does not impede its application. In fact, for the first time (and an event that, in the future, will hardly ever occur), the election of the representatives will coincide with the election of the republic's president. The reason for this is that the presidential term was four years, but, with the adoption of the new constitution, it was extended to five, and this change becomes effective as of the coming election.

Let us return to the question of how imperative is the rule governing the length of the term of representatives. All of the commentators versed in constitutional matters whom we consulted agreed that, regardless of the desire of the present incumbents or the equivocal behavior in the sessions, when the final quarter of their legitimacy as representatives of the people elapses, their mandate cannot be extended under any circumstances except an extraordinary situation or state of war, according to the Constitution. To fulfill these conditions the assembly would have to pass a formal resolution declaring that the aforementioned conditions exist.

In any case, the remaining variation on this story is that perhaps no great tension would arise publicly if a law on electing representatives were not adopted. After all, we still have the valid "old" Law on the Election of Representatives and Councilors with which the first democratic elections were carried out. Moreover, this law could well be suitable for the new conditions. In other words, we do not need to go through the entire process of adopting a new law. During the 1990 elections, for example, it was possible that the right to vote be substantiated and corrected; this was effected on election day in accordance with an explanation from the Republic Electoral Commission since the election law did not account for this. A shortcoming of this law is that an electoral model is not envisoned in it; such a model should be evaluated by how suitably it reflects the composition of citizens in the republic (combined majority, proportional, or either). This law forces the use of just the majority system. Therefore, regardless of the electoral model, the law must stop the practice that the elections are valid if more than half of the total number of the voters cast ballots; nowhere does such a situation exist [as published]. Experience in the last election shows that such a law allows the election of representatives with a minimal number of votes (some were elected with less than 20 percent of the votes of the total registered voters in an electoral district, more precisely, with about 1,850 votes out of an electoral body of more than 10,000). In the second round of voting, one representative was elected even though less than 48 percent voted. It would be possible to prevent such circumstances from arising if the criteria for being elected to the assembly were made more precise and not neglected. The lists of voters, that is, the lackadaisical management of them, is a particular problem. There are also many comments about the electoral districts. All of these problems and complications have remained unchanged.

Federal

Poll Shows Milosevic 'Most Trusted Politician'

LD1807122594 Belgrade TANJUG in English 1137 GMT 18 Jul 94

[Text] Belgrade, July 18 (TANJUG)—Serbian President Slobodan Milosevic is the most trusted politician in Yugoslavia, according to results out Monday of a poll conducted by Mark-Plan surveyors of Pancevo near here.

The random-sample poll, carried out in 20 municipalities in the Yugoslav Federation of Serbia and Montenegro in early July, showed 37.3 percent of the 750 polled to trust President Milosevic above all other Yugoslav politicians.

The next is opposition Democratic Party leaders Zoran Djindjic, with the support of 24.1 percent of the polled, followed by Vojislav Kostunica of the Democratic Party of Serbia (18.9 percent), Vojislav Seselj of the Serbian Radical Party (15.5) and Vuk Draskovic of the Serbian Renewal Movement (13.9).

With the support of 9.9 percent of the polled, Bosnian Serb leader Radovan Karadzic ranks sixth on the list of trusted politicians in Yugoslavia, above Yugoslav Vice-Premier Zeljko Simic (9.7) and Montenegrin President Momir Bulatovic (5.3).

Central Bank To Stop Financing Budget Deficit

LD1907134294 Belgrade TANJUG in English 1143 GMT 19 Jul 94

[By Milica Knezevic]

[Text] Belgrade, July 19 (TANJUG)—The Yugoslav Central Bank will stop financing the state budgetary deficit as of next week, ending a 50-year-old practice.

"This will increase the liquidity of banks and companies, and thus reflect on the production and new investments," said Dragoslav Avramovic, the bank's governor and author of economic reforms. He said the banks would in future allocate all their free resources to the economy.

The stabilization programme was launched on January 24. By end June, industrial production rose 130 percent, despite comprehensive economic sanctions imposed on Yugoslavia. The production, which faced total freezing, has again been on the rise owing primarily to bank loans. An end was also put to inflation, which recorded an unprecedented growth of 313 million percent in the period from December 24—January 24. Retail prices were increased by negligible 0.1 percentage point until early July.

The foreign currency reserves have also been considerably increased, since the Central Bank bought over 600 million German marks during the period of less than six months. Since the reforms started, the dinar has been pegged to the German mark on a 1-1 par of exchange, while money issue has been rigorously controlled.

The reforms, which started by strengthening the national currency should end in balanced budgets of the Federal Republic of Yugoslavia and its federal units (Serbia and Montenegro), said Avramovic.

Serbian Vice-Premier Slobodan Radulovic Monday said that Serbia had reduced public expenditures by about 30 percent, and the budgetary deficit by about 60 percent.

Avramovic suggested to politicians that the state's fiscal deficit in future be covered from the capital market. If the plan to stop financing the state budgetary deficit is implemented, the main source of the inflation in the Federal Republic of Yugoslavia will be permanently eliminated, experts have said.

Uzice Corps Information Activity Assessed

94BA0341D Belgrade VOJSKA in Serbo-Croatian 5 May 94 p 22

[Article by M. Vukosavljevic: "Significance of Correct Changes"]

[Text] *Last year's work by officers from the body for information and psychological-propaganda activity was influenced by numerous factors, from the general financial situation of the Yugoslav Army [VJ] and its members and the shortage of technical personnel, to frequent internal changes; the former VJ concept, according to which there are separate bodies for assessing the state of morale and for building it, is being abandoned.*

An analysis of the tasks and obligations carried out last year, an examination and summation of the experience acquired, and the preparation and finding of the most favorable ways to resolve the central tasks this year were, to put it briefly, the purpose of the technical specialized training held this March at the army club in Uzice for officers and civilians from the Uzice Corps's bodies for information and psychological-propaganda activity. That one-day activity was also attended by representatives of the Uzice Military District and the Second Army Command, in addition to officers and civilians employed in the bodies for information and psychological-propaganda activity.

Working in More Difficult Conditions

In the opening statement made by Lieutenant Colonel Milan Simic, the chief of the Uzice Corps Command's Department for Information and Psychological-Propaganda Activity, he first of all pointed out the difficulties and complexity of the conditions in which that body was working, especially during the period from January to April, when combat operations were being conducted intensively in the immediate vicinity, in the neighboring republic of Srpska. The members of the

Uzice Corps therefore focused their activity on protecting the borders of the Federal Republic of Yugoslavia [FRY], in which the bodies, then for moral and information, played a prominent role. During that period, the Uzice Corps Command formed three information centers. It was not easy, since many key resources were absent, as well as professional and trained personnel. There were also a lot of mistakes in conducting the so-called morning news, since the officers usually repeated the daily news from the public news media, instead of doing it in the form of an analysis of daily tasks, Colonel Simic thought. Furthermore, the bodies for information and psychological-propaganda activity did not have enough of the technical resources they needed for their work. There were a considerable number of units that did not have televisions or radios, video equipment, transistor radios, facilities for cultural activity, and mobile soldiers' clubs.

Lieutenant Colonel Janko Micic from the Rasko garrison talked about the planning, organization, and realization of the content of moral education in units of regiment to brigade rank. He pointed out the problems of respect for officers from the information bodies on the part of officers from other branches. The commanders of the basic units, who are an important link in the overall system, not knowing what to present to their soldiers, also often extract some topic from the armed combat program, instead of certain topics from the area of morale.

Delay in Information

According to Major Radomir Milovic from the Uzice Corps Command, internal information and information in general have taken place at a satisfactory level. He emphasized that communications with the Corps Command's subordinate units were good and that there were contacts almost every day, and the official reports also indicated that the units were well-informed and informed in time. Difficulties are occurring, however, in the flow of information between the Corps and the Second Army, since it has happened that some information takes several days to go from one command to the other and vice versa. That has usually had a negative effect on people's attitude and work. Major Milovic emphasized that professional, technical, and personnel connections into a unified system of information had not yet been achieved, even at the level of the corps or army.

Talking about the planning, organization, and realization of work in army clubs, Vlado Anicic, head of the club in Uzice, emphasized that as part of the Army's transformation, the club had received a somewhat different role, especially with respect to nurturing revolutionary traditions. The club is working under conditions of rigorous economy, very little capital maintenance, and extremely frugal operation, very often coping on its own, in order to be able to fulfill the assigned plans on time and successfully.

There is also a similar situation at the soldiers' clubs in Krcagovo and the Tanasko Rajic Barracks in Cacak, as their chiefs, Radoje Stopic and Dragan Colovic emphasized; they stated that during the past two and a half years, all those clubs' activities had been carried out exclusively through volunteer work. Currently, there are not even any instructions to serve as a basis for planning activities.

New Concept

Snezana Radosavljevic, chief of the garrison library in Uzice, emphasized that the number of book users was satisfactory, as well as the variety of the holdings, but that the failure to update the inventory of books and late returns of books were problems.

With respect to the problems of the troop psychologist, Sanya Birchanin, from the Cacak garrison, in addition to financial problems, also pointed out the status problems of psychologists and their lack of ties to a professional organization. She emphasized that unfortunately, a psychologist only becomes relevant when there is a problem, when a soldier is already acting aggressively, as well as other undesirable behavior.

Lieutenant Colonel Djoko Dragas from the Second Army Command's body for information and psychological-propaganda activity emphasized that the participants had raised numerous issues of equal importance for the life and work of Army personnel, and then particularly pointed out the recently adopted new concept for the place, role, and tasks of the VJ's bodies for information and psychological-propaganda activity. The essence of that concept is the determination that in the army's transformation, there are no longer separate institutionalized bodies for building, monitoring, and assessing morale, and that instead, that admittedly important aspect of combat readiness will be incorporated into the operational functions of all bodies of the commands and command levels. That change, i.e., the need for transformation of the bodies for information and morale, Lieutenant Colonel Dragas said in conclusion, was caused by the radical changes within the VJ's social identity itself.

Training, Accomplishments of Coastal Defense Unit

94BA0341C Belgrade VOJSKA in Serbo-Croatian
5 May 94 p 21

[Article by M. Vukosavljevic: "Respectable Young Force"]

[Text] *After arriving from Croatia, Colonel Veroljub Zivkovic's unit, in spite of numerous difficulties, in a short time, mostly thanks to the maximum involvement of officers and civilians, grew into a respectable force, completely ready and trained for successfully carrying out combat operations on land and sea.*

The coastal defense unit from the Bar garrison that is commanded by Colonel Veroljub Zivkovic has completely fulfilled all its planned tasks during the past year, and a considerable number of extra ones. In doing so, it has had neither accidents, nor misappropriations of weapons and military equipment, nor other inappropriate and undesired events.

This is a unit that is part of the Navy, conceived in such a way that it can successfully respond to the overall mission in this area.

"Almost all the officers participated in some of the combat operations during and after the former Yugoslav People's Army [JNA] units' withdrawal from Croatia, and thus they obtained valuable combat experience," Colonel Zivkovic said at the beginning of the conversation, and added that part of the unit, i.e., the March contingent of soldiers who had recently been received, was already going into the field for practical training, and after just one month, was entering the phase of professional specialized training. In parallel with that training, intensive training is also being conducted of officers from military commands and units, and the several days of exercises will be much more practical, specific, and appropriate to the new conditions.

The unit, almost cut in half, was among the first to arrive from Croatia, and in a short time grew into a very respectable armed force, both in terms of the weapons and equipment it has, and in terms of the officer corps.

After arriving in Bar, the members of that unit did not have time either to adjust or to settle their impressions after everything that had happened to them, and instead immediately received other units, which arrived after them from various garrisons in Croatia. It was not easy at all to house the enormous amount of technical supplies, weapons, and equipment, much less the numerous families of officers and civilians, most of whom were left without anything anywhere, and were coming to Bar for the first time. Thanks primarily to the administration of the Valdanos military resort, however, many problems were solved in time.

Along with those jobs, some of the officers from that unit were also involved on the front, especially toward Trebinje and Dubrovnik, where they spent more than six months.

The coastal defense unit conducts combat training according to a new plan and training program.

"We obtained very useful experience while applying the program. We achieved it by grouping units with related specialties in carrying out practical forms of training, especially with armored units, artillery, and partly also with antiaircraft units, especially with respect to hitting targets on the ground," emphasized Lieutenant Colonel Radivoje Zivkovic, the deputy commander. "Other experience was in improving the training of the section commanders. It is carried out in accordance with that plan at the training centers for artillery and armored-mechanized units. The new program also makes it possible for the section commanders to be trained first at the centers, and afterwards, fully trained, they go out into the field and conduct training with their own section."

Furthermore, officers from that unit's command emphasize that the improvement in training is also obvious from the documentation that accompanies the new training program. Specifically, those documents have been greatly simplified and are much smaller in volume, which is a big help, especially for the officers commanding the basic units, because they will spend much less time on administrative matters.

In addition to its good sides, the new program also has certain weaknesses, the officers here think. They can be seen primarily in the training of contract soldiers and in the evaluation of soldiers and units. Specifically, in the case of the former, the problem lies in insufficient material compensation, which is a systemic problem and which the members of that unit cannot influence much. Actually, this has to do with an insufficient response from contract soldiers, which results in inappropriate manning of the unit with such individuals, and prevents a proper selection of personnel.

"In regard to the evaluation of soldiers, there are several innovations, but shortcomings are also noticeable. The innovations are that the ratings are no longer from 1 to 5, but rather from 1 to 3. Thus, we have three categories, untrained, trained, and especially trained soldier," emphasized Lieutenant Colonel Radovan Djurcic, chief of that unit's operational body. "The problem is that the nuances among those ratings are small. Furthermore, the soldiers' ratings do not go into the final rating of the unit. For example, a soldier has a 5 in firing training, but that is not calculated in rating the training of a brigade, battalion, or company. That rating is what should be the basis for the use of the unit."

Taking into account their war experiences and the new training plan, the officers from that unit think that engineering classes are poorly represented in the new plan. That is why they are proposing that the extent of those classes, especially those covering the use of anti-infantry and antitank mines, and the use and detonation of explosives, should be increased. They are also proposing increased classes on formation drills for individuals and the unit as a whole.

Even though all the planned contents have been fully carried out, Colonel Veroljub Zivkovic and his closest associates emphasize that the lack of a firing range closer to the unit itself is still a big problem for them in training. They say that that would greatly facilitate training and make it possible to go to the firing range more often, and also reduce the considerable expenses and loss of time.

Summing up all the results achieved last year, the best units were declared to be the ones commanded by

Captains First Class Nikola Celebic and Miodrag Aleksov, Captain Sreten Egeric, and Lieutenant Marijan Denkovic.

Serbia

Opposition Leader Urges Serbs Not To Capitulate

LD1807161294 Belgrade TANJUG Domestic Service in Serbo-Croatian 1353 GMT 18 Jul 94

[Text] Belgrade, 18 Jul (TANJUG)—Zoran Djindjic, president of the Democratic Party [Demokrataska Stranka—DS], has sent a letter to Srpska republic president Radovan Karadzic and Srpska republic assembly president Momcilo Krajisnik, saying that the time has come for the international community to receive a united response from the Serb nation, which is "a resolve for peace."

The letter says that the response by Serbia, the Srpska republic, the republic of Serb Krajina, and all Serbs living abroad "should consist of a united resolve for peace that will in future bring our nation a guarantee that it will never again go through what it has been going through for the fifth time in this century, forced to use weapons to defend its freedom and liberty."

The DS leader says that "a lasting peace is possible only if based on honorable compromise and not on a diktat or capitulation."

The Serb nation's united response will persuade the democratic world that only a just solution will guarantee a peaceful future for all Balkan nations, Djindjic says.

In conclusion of his letter, the DS leader points out that "when reaching their decision, the Srpska republic deputies should show the highest level of responsibility because they are making a decision on the fate of the entire Serb nation."

Union Leader Says 7,000 Miners To Strike

AU1907102394 Belgrade BORBA in Serbo-Croatian 16-17 Jul 94 p 5

[Unattributed report: "Leadership of Serbian Electricity Board To Be Blamed for Collapse"]

[Text] Lazarevac—Jelenko Micic, chairman of the Independent Trade Union of the Electricity Board of Serbia, confirmed yesterday that 7,000 workers in mines for underground exploitation would go on strike on 18 July in the organizations of that trade union. Micic accused the leadership of the Electricity Board of Serbia of bringing the entire electricity system to the verge of collapse with its political and party advantages.

Miners in mines for underground exploitation, who are about to go on strike, received only an advance for the June salary. In May their average salary was 190 dinars, while the average salary in the EDB [not further specified] was 216 dinars.

Montenegro

Companies Sell Assets To Pay Impounding Costs

LD1807123094 Belgrade TANJUG in English 1147 GMT 18 Jul 94

[Text] Bar, Montenegro, July 18 (TANJUG)—Merchant shipping companies in the Yugoslav Republic of Montenegro are selling ships to pay the port costs of vessels impounded under the United Nations sanctions.

The "Jugooceanija" and "Pomorska Plovidba" merchant shippers have sold four of their 41 ocean-going vessels to meet some of the overheads—insurance, wages, maintenance and lay-over taxes. The total costs stand at over 200 million dollars, Jusuf Kalamperovic of "Pomorska Plovidba" told TANJUG Monday. "Jugooceanija" has been forced to sell two new ships for less than 19 million dollars, which is a fraction of their real value.

Montenegro's ships are banned from navigating in international waters under the strict economic sanctions imposed on the Yugoslav Federation of Serbia and Montenegro by the United Nations Security Council in May 1992. Before the sanctions, merchant navy accounted for 20 percent of Montenegro's annual hard currency revenues and about five percent of its total revenues. As the third year under embargo begins, the shippers fear they will have to go on slashing their fleets in order to mitigate the rising costs of their maintenance.

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